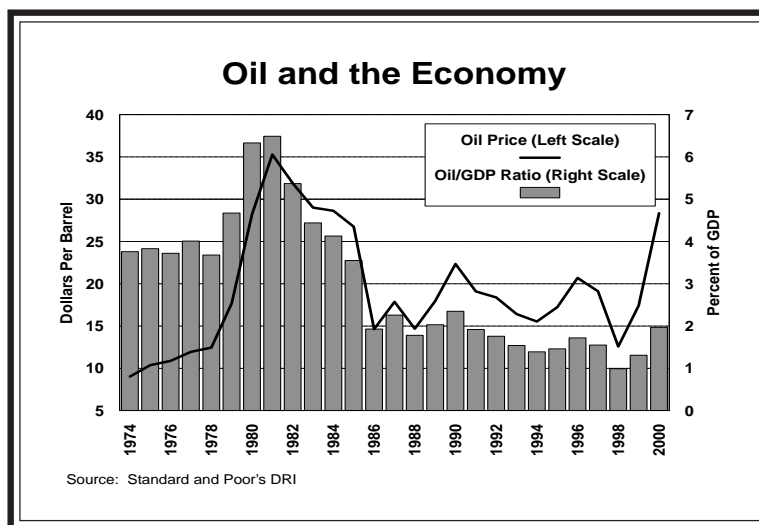


Washington Economic and Revenue Forecast



November 2000
Volume XXIII, No. 4

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Explanation of the Cover Graph

The cover chart shows oil prices on an annual average basis since 1974. This year the refiners' acquisition cost is expected to average more than \$28 per barrel. Oil prices haven't been this high since the early 1980s when they caused a burst of inflation and a monetary crackdown that resulted in our deepest postwar recession. While the recent oil price increase has added to inflation and is expected to contribute to an economic slowdown, the impact is expected to be much less this time. The reason is that oil represents a much smaller share of GDP than it did twenty years ago. Even after the recent run-up in oil prices, the value of oil consumed this year in the U.S. is about 2 percent of GDP compared to more than 6 percent in 1980 and 1981. This is partly because other prices have also risen, but also because, through conservation and other changes in the economy, the quantity of oil consumed per unit of real output has fallen.

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Washington Economic and Revenue Forecast

Prepared by the
Office of the Forecast Council

November 2000
Volume XXIII, No. 4

Preface

The Office of the Forecast Council is required by Chapter 231, Section 34, Laws of 1992 (RCW 82.33.020) to prepare a quarterly state economic and revenue forecast and submit it to the Forecast Council. This report presents the state's economic and General Fund-State revenue forecast. It is issued four times a year.

Copies are available to Washington State businesses and residents for \$4.50 per copy, and to those out-of-state for \$9.00 per copy. You may contact our office for more subscription information at (360) 570-6100 or by writing the Office of the Forecast Council, Post Office Box 40912, Olympia, WA 98504-0912.

You may also access this report on our website at www.wa.gov/ofc/.

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Executive Summary

The November 2000 forecast was produced prior to the advance GDP estimate for the third quarter of 2000. According to the advance estimate, GDP growth slowed to 2.7 percent in the third quarter which was slightly stronger than the 2.2 percent assumed in the forecast but much weaker than the 5.6 percent rate posted in the second quarter. Final sales of domestic product also increased at a 2.7 percent rate in the third quarter as inventory accumulation was roughly neutral. The forecast assumed a 3.0 percent growth rate for final sales. As expected, consumer spending remained strong, rising at a 4.5 percent rate. Fixed investment spending fell to only 2.9 percent, though, and government spending declined at a 3.6 percent rate in the third quarter following a very strong 4.8 percent increase in the second quarter.

Employment growth slowed to just 0.2 percent in the third quarter from 2.9 percent in the second quarter. Even excluding the reduction in temporary census employment, the growth rate was only 1.4 percent, which is the weakest quarterly growth in eight years. The unemployment rate, however, remained steady at 4.0 percent. Inflation, as measured by the consumer price index, eased in the third quarter to 3.1 percent from 3.7 percent in the second quarter. More importantly, core inflation dropped to 2.4 percent from 3.0 percent. In spite of a decline in the mortgage rate from 8.32 percent to 8.03 percent in the third quarter, housing starts fell 17.9 percent to an annual rate of 1.527 million units. This was the second consecutive quarterly decline and is the lowest level of housing activity since 1997. The Fed elected to maintain its 6.50 percent federal funds target at the October 3rd Open Market Committee meeting but indicated a bias towards tightening in the future.

The U.S. forecast is very similar to the forecast adopted two months ago in terms of real GDP growth and inflation. The forecast expects GDP to grow 5.2 percent in 2000, slowing to 3.3 percent in 2001 and 2002, and improving to 3.5 percent in 2003. In spite of the strong growth, low unemployment rate, and a surge in energy prices, inflation is expected to remain relatively low. Inflation, as measured by the implicit price deflator for personal consumption expenditures, is expected to rise from 1.8 percent in 1999 to 2.5 percent in 2000, 2.2 percent in 2001, 2.3 percent in 2002, and 2.4 percent in 2003. The forecast assumes that the Fed will leave its target rate unchanged at 6.50 percent through the first half of next year and will begin easing in the third quarter.

Washington nonfarm employment grew only 0.7 percent in the third quarter of 2000 following a 3.0 percent growth rate in the second quarter and a 3.2 percent increase in the first quarter. The employment trend during 2000 is distorted by the Boeing strike in the first quarter, temporary Census related employment, and an unseasonal blip in local education employment in the third

quarter. Excluding these special factors, employment growth has been slowing during 2000 from 3.8 percent in the first quarter to 1.3 percent in the second quarter and 1.1 percent in the third quarter. Manufacturing employment fell at a 4.1 percent annual rate in the third quarter of 2000 following a 1.5 percent strike-adjusted decline in the second quarter. Aerospace employment fell at a 3.8 percent rate, about the same as the 4.2 percent decline in the second quarter (after adjusting for the strike). Non-aerospace manufacturing employment fell at a 4.2 percent rate in the third quarter following a 0.7 percent decline in the second quarter. The third quarter marked the sharpest non-aerospace manufacturing decline since the 1990-91 recession. Nonmanufacturing employment growth slowed in the third quarter to 1.4 percent from 2.8 percent in the second quarter. Excluding the census impact and local education seasonal anomaly, however, growth increased slightly to 1.9 percent from 1.7 percent. Construction employment growth remained very strong in the third quarter rising at a 7.6 percent rate. The transportation, communication, and utilities sector and the services sector were also strong, rising 4.2 percent and 3.8 percent respectively. While state and local government employment rose 4.3 percent in the third quarter, this was mainly due to the seasonal problem in local education. Excluding this anomaly the growth rate would have been only 1.7 percent. Conversely, the 24.6 percent rate of decline in federal government employment was the result of Census related layoffs. Excluding the impact temporary Census employment, the growth rate would have been 2.0 percent. Both wholesale and retail trade were weak in the quarter, posting declines of 0.8 percent and 2.0 percent.

Washington's total personal income estimate for the second quarter of 2000 is \$0.735 billion (0.4 percent) higher than expected in September. Wage and salary disbursements are \$2.193 billion (2.1 percent) higher mostly as a result of a \$1.511 billion (18.4 percent) error in the estimate for software. Excluding software, the forecast error is \$0.682 billion (0.7 percent) which is slightly less than the \$ 0.794 billion revision to the first quarter estimate. Nonwage personal income is \$1.458 billion (1.9 percent) lower than expected in September. The nonwage forecast error is mainly the result of the historical revision to the estimates for the last three years. The revision to the first quarter estimate was \$1.252 billion.

The number of housing units authorized by building permit was unchanged at 40,600 in the third quarter of 2000. The number of single family units increased 700 to 27,400 but the number of multi-family units authorized by permit fell 700 to 13,200.

In September we made the assumption that there would be a 33 percent drop in software income (not seasonally adjusted) in the second quarter of 2000 compared to the average level in the fourth quarter of 1999 and first quarter of 2000. We now have covered employment and payrolls data for the second quarter which shows that the decline was actually only 23 percent. However, Microsoft financial data suggest a huge decline in the third quarter. We have incorporated this decline as well as a partial rebound in the fourth quarter. While the quarterly pattern of software wage growth in 2000 is quite different than in September, the level by the fourth quarter is almost exactly the same. As in September, the forecast assumes a gradual decline in software wages due to both a declining number of options available and a declining average net profit per option exercised. We believe aerospace employment in October was about 100 lower than expected in the September forecast. The pattern of decline through the second quarter of 2001 is similar to the assumption in September. Overall, the forecast expects a reduction of 28,200 from the peak in second quarter of 1998 through the trough in the second quarter of 2001. A modest upturn in aerospace employment is expected beginning in the second half of 2001. The forecast also assumes that

a turnaround in Asia will begin to boost Washington employment growth in the second quarter of 2000. The forecast adds about 600 per quarter through 2001 reflecting Washington's disproportionate reliance on trade with Asia.

Wage and salary employment growth slowed again in 1999 to 2.1 percent from 3.2 percent in 1998 and 4.1 percent in 1997. Based on actual (though preliminary) data for the first nine months of the year, the forecast now expects Washington employment growth to improve to 2.4 percent in 2000. Employment growth is expected to remain moderate during the next three years as the U.S. economy finally slows down. The forecast expects employment growth of 1.4 percent in 2001, 1.8 percent in 2002, and 1.9 percent in 2003. Washington personal income grew an estimated 7.4 percent in 1999, the fourth consecutive year in excess of 7 percent. Personal income growth should slow substantially in 2000 due to the expected decline in Microsoft stock option income. The forecast expects personal income to grow 5.9 percent in 2000, 5.2 percent in 2001, 5.7 percent in 2002, and 5.9 percent in 2003. Housing activity is expected to remain subdued during the next four years. Though Washington's population growth is expected to pick up and mortgage rates are expected to decline somewhat, the forecast assumes that consumer confidence will come down from the record levels reached earlier this year leading to a fairly flat housing outlook. The forecast expects 42,100 units in 2000, 42,200 in 2001, 42,700 in 2002 and 39,900 in 2003.

There has been very little change to the economic outlook since the forecast adopted two months ago. As a result, the revenue forecast change due to economic factors is very small. The main change in the November forecast is a reduction due to the approval of Initiatives 722 and 728. The General Fund-State revenue forecast for the 1999-01 biennium is \$21,168.9 million, an increase of \$39.1 million since the September forecast. The General Fund-State revenue forecast for the next biennium is \$22,327.1 million, a reduction of \$439.1 million since the September forecast. For the two biennia combined, the forecast change due to economic factors is a positive \$91.8 million but the forecast change due to the approval of the initiatives is negative \$491.8 million resulting in a net reduction of \$400.0 million.

As required by law, optimistic and pessimistic alternative forecasts were developed for the 1999-01 and 2001-03 biennia. The forecast based on more optimistic economic assumptions netted \$183 million more revenue in the current biennium and \$847 million more in the next biennium and than did the baseline forecast while the pessimistic scenario was \$181 million lower in 1999-01 and \$939 million lower in 2001-03. An alternative forecast based on the average view of the Governor's Council of Economic Advisors yielded \$12 million more revenue in this biennium and \$48 million more in 2001-03 than did the baseline forecast.

Washington State and U.S. Economic Forecasts

Recent U.S. Economic Activity

The November 2000 forecast was produced prior to the advance GDP estimate for the third quarter of 2000. According to the advance estimate, GDP growth slowed to 2.7 percent in the third quarter which was slightly stronger than the 2.2 percent assumed in the forecast but much weaker than the 5.6 percent rate posted in the second quarter. Final sales of domestic product also increased at a 2.7 percent rate in the third quarter as inventory accumulation was roughly neutral. The forecast assumed a 3.0 percent growth rate for final sales. As expected, consumer spending remained strong, rising at a 4.5 percent rate. Durable goods spending rose at a 7.5 percent rate in the quarter while nondurables and services were up 4.9 percent and 3.7 percent. Fixed investment spending growth fell to only 2.9 percent, though. Business spending on equipment and software rose at an 8.5 percent rate and nonresidential construction was up 1.7 percent but residential fixed investment fell at a 9.2 percent rate. Net exports were a slight drag on the economy in the third quarter as a 13.8 percent increase in imports overshadowed a 16.2 percent improvement in exports. Government spending declined at a 3.6 percent rate in the third quarter following a very strong 4.8 percent increase in the second quarter. The decline was entirely due to the federal government sector where spending fell at a 10.1 percent rate. National defense spending fell at a 10.2 percent rate and federal civilian spending was down 9.9 percent but state and local government purchases were unchanged in the quarter.

Employment growth slowed to just 0.2 percent in the third quarter from 2.9 percent in the second quarter. Even excluding the reduction in temporary census employment, the growth rate was only 1.4 percent, which is the weakest quarterly growth in eight years. The unemployment rate, however, remained steady at 4.0 percent. Inflation, as measured by the consumer price index, eased in the third quarter to 3.1 percent from 3.7 percent in the second quarter. More importantly, core inflation dropped to 2.4 percent from 3.0 percent. In spite of a decline in the mortgage rate from 8.32 percent to 8.03 percent in the third quarter, housing starts fell 17.9 percent to an annual rate of 1.527 million units. This was the second consecutive quarterly decline and is the lowest level of housing activity since 1997. The Fed elected to maintain its 6.50 percent federal funds target at the October 3rd Open Market Committee meeting but indicated a bias towards tightening in the future.

U.S. Forecast Highlights

The U.S. forecast is very similar to the forecast adopted two months ago in terms of real GDP growth and inflation. The forecast expects GDP to grow 5.2 percent in 2000, slowing to 3.3 percent in 2001 and 2002, and improving to 3.5 percent in 2003. In spite of the strong growth, low unemployment rate, and a surge in energy prices, inflation is expected to remain relatively low. Inflation, as measured by the implicit price deflator for personal consumption expenditures, is expected to rise from 1.8 percent in 1999 to 2.5 percent in 2000, 2.2 percent in 2001, 2.3 percent in 2002, and 2.4 percent in 2003. The forecast assumes that the Fed will leave its target rate unchanged at 6.50 percent through the first half of next year and will begin easing in the third quarter.

1. Real GDP grew 5.2 percent in fiscal 2000, the fourth consecutive year in excess of 4 percent. Such strong growth is unprecedented this late in a business cycle. While the forecast assumes the potential growth rate of the economy has improved, slower growth is forecasted for the next three years. Consumers cannot increase spending faster than income forever and housing and other interest sensitive industries will be hurt by higher interest rates. Real GDP is expected to grow 4.0 percent in 2001, 3.2 percent in 2002, and 3.4 percent in 2003.
2. The biggest surprise in the current expansion has been the restrained behavior of inflation given the strong growth and low unemployment of recent years. The economy is now operating at a higher rate than is consistent with stable inflation. Inflation, as measured by the implicit price deflator for personal consumption expenditures, increased to 2.2 percent in fiscal 2000 from a 36-year-low 1.3 percent in 1999 though the turnaround was largely due to a surge in energy prices. The forecast assumes that the economy slows enough to head off an upward spiral of wages and prices, however. The inflation rate is expected to increase to 2.4 percent in 2001 as energy prices continue to climb, slowing to 2.2 percent in 2002 before rising again to 2.4 percent in 2003.
3. At the October 3rd meeting, the Federal Reserve elected to maintain the federal funds rate at 6.50 percent while indicating a bias towards tightening in the future. Since the end of fiscal 1999 the Fed has raised the federal funds rate a total of 1.75 percentage points. As a result of this tightening, the three-month T-bill rate rose to 5.23 percent in fiscal 2000 from 4.49 percent in 1999 and is expected to rise again in 2001 to 5.98 percent. The Fed is expected to begin easing in fiscal 2002 in response to a slowing economy. As a result, the T-bill rate is expected to decline to 5.57 percent in 2002 and 5.35 percent in 2003. Mortgage rates also moved up in fiscal 2000 to 8.05 percent from 6.93 percent in 1999. The forecast expects the mortgage rate to decline slightly during the next three years to 8.04 percent in 2001, 7.50 percent in 2002, and 7.34 percent in 2003.
4. In spite of the increase in mortgage interest rates, housing starts remained strong in fiscal 2000, dipping only 0.2 percent to 1.672 million units. The current rate of housing construction is the highest since 1987 and exceeds the long-run requirements of the population. The impact of higher mortgage rates will be felt in 2001, however, as starts are expected to decline 5.5 percent to 1.581 million units. The forecast expects a 4.5 percent rebound in 2002 as mortgage rates fall but an 8.2 percent decline in 2003 due to declining consumer confidence.

5. The nation's unemployment rate continued to decline in fiscal 2000 to 4.10 percent from 4.38 percent in 1999. The jobless rate in 2000 was the lowest since 1970. The unemployment rate is expected to edge up during the forecast as the economy slows. The unemployment rate will remain low by historical standards, however. The forecast expects an unemployment rate of 4.17 percent in 2001, 4.56 percent in 2002, and 4.64 percent in 2001.
6. The federal budget surplus (national income and product accounts basis) continued to grow in fiscal 2000, rising to \$191.8 billion from \$83.9 billion in 1999 and \$2.3 billion in 1998. The forecast expects the surplus to peak in 2001 at \$258.6 billion. This would not only be a record in absolute terms, but, at 2.5 percent of GDP, one of the highest in relative terms as well. The forecast assumes higher spending and some sort of tax cut, the mix depending on who wins the presidential election. The difference between the two plans in terms of the overall budget deficit is small. The budget surplus is expected to shrink to \$220.6 billion in 2002 and \$170.8 billion in 2003.
7. The foreign sector continues to be the only significant drag on GDP. Strong economic growth at home, weak growth abroad, and a strong dollar have contributed to a marked deterioration in the nation's trade balance. The trade deficit (national income and product accounts basis) increased in fiscal 2000 to \$317.6 billion from \$193.3 billion in 1999. Despite improving economies overseas, import growth continues to outpace export growth. The trade gap is expected to widen to \$377.8 billion in 2001, \$423.5 billion in 2002, and \$456.9 billion in 2003.

Table 1.1 provides a fiscal year summary of the U.S. economic indicators.

Recent Economic Activity in Washington

The Employment Security Department has released preliminary employment estimates through September 2000. This forecast is based on adjusted employment estimates as described in **Adjustments to Economic Data**. Washington nonfarm employment grew only 0.7 percent in the third quarter of 2000 following a 3.0 percent growth rate in the second quarter and a 3.2 percent increase in the first quarter. The employment trend during 2000 is distorted by the Boeing strike in the first quarter, temporary Census related employment, and an unseasonal blip in local education employment in the third quarter. Excluding these special factors, employment growth has been slowing during 2000 from 3.8 percent in the first quarter to 1.3 percent in the second quarter and 1.1 percent in the third quarter. Manufacturing employment fell at a 4.1 percent annual rate in the third quarter of 2000 following a 1.5 percent strike-adjusted decline in the second quarter. Aerospace employment fell at a 3.8 percent rate, about the same as the 4.2 percent decline in the second quarter (after adjusting for the strike). Non-aerospace manufacturing employment fell at a 4.2 percent rate in the third quarter following a 0.7 percent decline in the second quarter. The third quarter marked the sharpest non-aerospace manufacturing decline since the 1990-91 recession. Nonmanufacturing employment growth slowed in the third quarter to 1.4 percent from 2.8 percent in the second quarter. Excluding the census impact and local education seasonal anomaly, however, growth increased slightly to 1.9 percent from 1.7 percent. Construction employment growth remained very strong in the third quarter rising at a 7.6 percent rate. The transportation, communication, and utilities sector and the services sector were also strong, rising 4.2 percent and 3.8 percent respectively. While state and local government employment rose 4.3 percent in the third quarter, this was mainly due to the seasonal problem in local education. Excluding this anomaly the growth rate would have been only

1.7 percent. Conversely, the 24.6 percent rate of decline in federal government employment was the result of Census related layoffs. Excluding the impact temporary Census employment, the growth rate would have been 2.0 percent. Both wholesale and retail trade were weak in the quarter, posting declines of 0.8 percent and 2.0 percent.

In October 2000 the U.S. Department of Commerce, Bureau of Economic Analysis (BEA) revised its quarterly state personal income estimates through the first quarter of 2000 and released preliminary estimates for the second quarter. The Office of the Forecast Council has also adjusted the second quarter of 2000 wage estimate to reflect an expected revision in seasonally adjusted software wages (see **Adjustments to Economic Data**). According to the adjusted estimates, Washington's total personal income estimate for the second quarter of 2000 is \$0.735 billion (0.4 percent) higher than expected in September. Wage and salary disbursements are \$2.193 billion (2.1 percent) higher mostly as a result of a \$1.511 billion (18.4 percent) error in the estimate for software. Excluding software, the forecast error is \$0.682 billion (0.7 percent) which is slightly less than the \$ 0.794 billion revision to the first quarter estimate. Nonwage personal income is \$1.458 billion (1.9 percent) lower than expected in September. The nonwage forecast error is mainly the result of the historical revision to the estimates for the last three years. The revision to the first quarter estimate was a negative \$1.252 billion.

The number of housing units authorized by building permit was unchanged at 40,600 in the third quarter of 2000. The number of single family units increased 700 to 27,400 but the number of multi-family units authorized by permit fell 700 to 13,200.

Adjustments to Economic Data

This forecast utilizes an alternative employment estimate developed by the Department of Employment Security and the Office of the Forecast Council. The alternative employment estimate incorporates the covered employment and payrolls data through the second quarter of 2000 which adds 22,000 (0.8 percent) to the Current Employment Statistics (CES) estimate for June 2000. In addition, the growth pattern from June 2000 through September 2000 has been adjusted to reflect the average historical revision between the preliminary (sample based) estimates and the final (covered employment and payrolls based) estimates subtracting 3,700 (0.1 percent). The net effect of the adjustments was to increase the September 2000 employment estimate by 18,300 (0.7 percent).

The forecast incorporates the BEA's October 2000 state personal income release, which contained revised estimates through the first quarter of 2000 and preliminary estimates for the second quarter. These estimates also reflect the revision to the national income and product accounts (NIPA's) that was released on August 1, 2000. Until last quarter it was our practice to adjust the current-year BEA estimates based on covered employment and payrolls (202) data provided by the Department of Employment Security. The 202 data for the first quarter of 2000 showed such a huge increase, however, that we temporarily abandoned this practice. Instead, we used the BEA estimates for the first quarter, adjusted for the decline in software income (seasonally adjusted) which we know the BEA did not anticipate. The BEA's revised first quarter estimate did not show the huge surge in non-software wages suggested by the ES202 data. The reason is that the other states also had very strong 202 wage growth in that quarter. Since the national control total was fixed independently of the 202 data, the wage estimates for the individual states had to be adjusted down. In addition, the strong year-over-year growth in ES202 wages seen in the first quarter was not repeated in the second quarter according to preliminary estimates. Both these possibilities were cited in September

as reasons to abandon, for the time being, our usual practice of incorporating the ES202 data in our current-year wage estimates. In November, as in September, the only adjustment we made to the latest BEA personal income estimates was to incorporate a decline in second quarter software income (seasonally adjusted) which we know the BEA did not anticipate.

Washington State Forecast Highlights

In September we made the assumption that there would be a 33 percent drop in software income (not seasonally adjusted) in the second quarter of 2000 compared to the average level in the fourth quarter of 1999 and first quarter of 2000. We now have covered employment and payrolls data for the second quarter which shows that the decline was actually only 23 percent. However, Microsoft financial data suggest a huge decline in the third quarter. We have incorporated this decline as well as a partial rebound in the fourth quarter. While the quarterly pattern of software wage growth in 2000 is quite different than in September, the level by the fourth quarter is almost exactly the same. As in September, the forecast assumes a gradual decline in software wages due to both a declining number of options available and a declining average net profit per option exercised. We believe aerospace employment in October was about 100 lower than expected in the September forecast. The pattern of decline through the second quarter of 2001 is similar to the assumption in September. Overall, the forecast expects a reduction of 28,200 from the peak in second quarter of 1998 through the trough in the second quarter of 2001. A modest upturn in aerospace employment is expected beginning in the second half of 2001. The forecast also assumes that a turnaround in Asia will begin to boost Washington employment growth in the second quarter of 2000. The forecast adds about 600 per quarter through 2001 reflecting Washington's disproportionate reliance on trade with Asia.

Wage and salary employment growth slowed again in 1999 to 2.1 percent from 3.2 percent in 1998 and 4.1 percent in 1997. Based on actual (though preliminary) data for the first nine months of the year, the forecast now expects Washington employment growth to improve to 2.4 percent in 2000. Employment growth is expected to remain moderate during the next three years as the U.S. economy finally slows down. The forecast expects employment growth of 1.4 percent in 2001, 1.8 percent in 2002, and 1.9 percent in 2003. Washington personal income grew an estimated 7.4 percent in 1999, the fourth consecutive year in excess of 7 percent. Personal income growth should slow substantially in 2000 due to the expected decline in Microsoft stock option income. The forecast expects personal income to grow 5.9 percent in 2000, 5.2 percent in 2001, 5.7 percent in 2002, and 5.9 percent in 2003. Housing activity is expected to remain subdued during the next four years. Though Washington's population growth is expected to pick up and mortgage rates are expected to decline somewhat, the forecast assumes that consumer confidence will come down from the record levels reached earlier this year leading to a fairly flat housing outlook. The forecast expects 42,100 units in 2000, 42,200 in 2001, 42,700 in 2002 and 39,900 in 2003.

1. Nominal personal income grew 8.1 percent in fiscal 2000, up from a strong 7.5 percent the previous year. Personal income growth has averaged nearly 8 percent per year for the last four years. While employment growth slowed again in 2000, average wage growth remained very strong at 7.6 percent, a remarkable performance in an economy with little inflation. The stronger wage growth in fiscal 1999 is mostly due to the software sector, where the value of exercised stock options has surged once again. Without the software sector, average wages would have risen 4.7 percent in 2000 compared to 4.8 percent in 1999. Much weaker

personal income growth is expected in fiscal 2001 mainly as a result of a sharp reduction in software stock option income. Personal income is expected to grow only 4.2 percent in 2001 but, outside of the software sector, the forecast is for 6.3 percent growth. The forecast expects Washington personal income to grow 5.8 percent per year in 2002 and 2003.

2. In spite of the improvement in nominal personal income growth, Washington real personal income growth slowed to 5.8 percent in fiscal 2000 from 6.1 percent in 1999 as inflation jumped from 1.3 percent to 2.2 percent. Nevertheless, real personal income growth remains very strong considering the slow employment and population growth of recent years. Real personal growth is expected take a hit from a decline in software income in fiscal 2000, rising only 1.8 percent before recovering to 3.5 percent in 2002 and 3.3 percent in 2003.
3. Reflecting the impact of the aerospace downturn, Washington wage and salary employment growth slowed again in fiscal 2000 to 2.3 percent from 2.5 percent in 1999 and 3.8 percent in 1998. Employment growth is expected to remain weak for the next three years due to a slowdown in the U.S. economy. Still, no local recession is expected as long as the U.S. economy stays strong. The forecast calls for employment growth rates of 1.7 percent in 2001 and 2002, and 1.8 percent in 2003.

- ◆ Lumber and wood products employment fell 800 in the third quarter of 2000 to 33,100. Unlike the national industry, which has seen a strong recovery during the current economic expansion, lumber and wood products employment in Washington has continued to lose ground. The U.S. recovery has not been reflected in Washington primarily as a result of timber supply constraints, which have reduced Washington's market share. In addition, exports of lumber and wood products have been particularly hard hit by the economic distress in Asia. Washington lumber and wood products employment is now 9,400 lower than the cyclical peak in the fourth quarter of 1988. The forecast assumes that the adjustment to reduced federal timber supplies is essentially complete. As a result, only 2,500 more jobs are expected to disappear during the remainder of the forecast.
- ◆ Aerospace employment fell only 900 in the third quarter of 2000, about the same rate of decline as in the second quarter (excluding the impact of the strike). The third quarter decrease was the smallest in two years. The total reduction since the peak in the second quarter of 1998 now stands at 26,300. Production peaked in early 1999 compounding the negative impact of continued productivity improvements on employment. The rate of job loss is expected to slow with only 1,800 more jobs eliminated by the end of the current biennium bringing, the total peak to trough reduction to 28,200. A modest recovery in aerospace employment is predicted for the 2001-03 biennium
- ◆ Apparently unaffected by the current Boeing downturn, construction employment has been rising rapidly since the end of the previous aerospace cycle in the fourth quarter of 1995. Construction employment grew at a 7.6 percent annual rate in the third quarter of 2000 and an average rate of 6.6 percent since the end of 1995. The forecast assumes that the current level of employment in this sector relative to the overall economy is unsustainable. While this sector is expected to continue to expand, much slower growth is expected in the future. The forecast calls for an average annual growth rate of 0.9 percent per year for the remainder of the forecast.

- ◆ Employment in the finance, insurance, and real estate sector was up just 0.1 percent in the third quarter of 2000 following a 0.6 percent decline in the second quarter. Employment has been essentially flat since the end of 1998 when, in response to rising mortgage rates, refinancing activity dried up. The forecast assumes that this process is complete and, with mortgage rates headed down again, stronger finance, insurance, and real estate employment growth will resume. The forecast expects an average growth rate of 2.3 percent per year through the end of 2003.
 - ◆ Retail trade employment fell at a 2.0 percent annual rate in the third quarter of 2000 compared to a 3.0 percent increase in the second quarter and a 5.0 percent increase in the first quarter. Weak retail trade employment growth is expected throughout the forecast due to slow income and population growth and declining consumer confidence. The forecast expects a growth rate of only 1.3 percent per year through the end of 2003.
 - ◆ Services employment rose at a healthy 3.8 percent rate in the third quarter of 2000 and 4.5 percent over the previous year. The strength in services growth is mainly due to the business services sector which is benefiting from strong growth in software and temporary help services. As a result of these trends as well as the nationwide shift to services employment, the services sector is expected to continue to outperform the overall economy. Services will not entirely escape the slowdown in the state's economy, though. The forecast expects services employment growth to average 3.2 percent per year during the remainder of the forecast.
 - ◆ State and local government employment rose at a 4.3 percent annual rate in the third quarter of 2000 but is up only 1.2 percent over the last four quarters. The forecast assumes that the strong third quarter showing is seasonal aberration that will be offset by a 2.2 percent reduction in the fourth quarter. Slower growth in general and a substantial decline in the growth rate of the school age population in particular are expected to restrain growth during the remainder of the forecast. The forecast expects state and local government employment growth to average 1.3 percent per year during the final three years of the forecast.
4. Suffering from a sharp rise in mortgage interest rates and weak population growth, the number of housing units authorized by building permit fell 9.0 percent in fiscal 2000 to 41,300 from 45,300 in 1999. Housing permits are expected to remain weak in 2001, declining 0.9 percent to 40,900 units. Lower mortgage interest rates are expected to temporarily stimulate housing in fiscal 2002 but declining consumer confidence offsets the improvement by 2003. As a result, housing permits are expected to increase 7.3 percent in 2002 to 43,900 before declining 6.9 percent to 40,900.
 5. Inflation in the Seattle metropolitan area, as measured by the consumer price index for all urban consumers, increased in fiscal 2000 to 3.2 percent from 2.9 percent in 1999. While the local inflation rate remains higher than the corresponding rate for the U.S., the gap has narrowed. The U.S. CPI rose 2.9 percent in 2000 compared to 1.7 percent in 1999. Recent data suggest that the gap will persist in fiscal 2001 but the forecast assumes that Seattle inflation will be very close to the national average during the next two years. The forecast calls for CPI inflation rates of 3.5 percent, 2.2 percent, and 2.6 percent in Seattle compared to 3.0 percent, 2.4 percent, and 2.5 percent for the U.S. city average.

Table 1.2 provides a fiscal year summary of the state economic indicators.

Alternative Forecasts

As required by statute, the Forecast Council has also adopted two alternatives to the baseline forecast. One of these was based on more optimistic economic assumptions than the baseline and one was based on more pessimistic assumptions. These alternatives are summarized in Table 1.3.

The pessimistic forecast for the U.S. economy assumes that a severe winter causes a spike in oil prices, which reach \$54 a barrel. The oil-price spike triggers a world recession, which, in Asia is aggravated by the region's incomplete financial system reform. With the CPI heading above 5 percent, the Federal Reserve tightens. The stock market panics because of the rising oil prices, higher interest rates and re-emerging Asian recession. The result is a three-quarter recession beginning the second quarter of 2001 with a peak to trough real GDP decline of 1.7 percent. The Fed responds quickly to the recession by cutting interest rates and strong growth returns by early 2002. At the state level, aerospace production cuts coupled with continued improvement in productivity lead to a more severe decline in aerospace employment than is assumed in the baseline forecast. Washington wage growth and inflation are relatively slow and Washington personal income is lower. Population growth is also slower in this scenario and construction employment growth turns negative in the first quarter of 2001. By the end of the 2001-03 biennium, Washington nonagricultural employment is lower by 61,800 jobs than in the baseline forecast and Washington personal income is \$7.1 billion lower. The pessimistic scenario produced \$181 million (0.9 percent) less General Fund-State revenue in the current biennium and \$939 million (4.2 percent) less revenue in 2001-03 than did the baseline forecast.

The optimistic forecast for the U.S. economy is a less likely alternative since the baseline forecast assumes that just about everything goes right for the next few years. This scenario is similar to the baseline in the near term but, after a pause in 2001, stronger real growth resumes in 2002. The GDP growth rate is again over 4 percent by the third quarter of 2002. With the labor markets already tight, inflation continues to accelerate. By the third quarter, core inflation is over 3 percent and rising. The Fed becomes concerned about the inflation threat, holding the Fed funds rate at 6 percent throughout the first three quarters of 2002, raising it in the fourth quarter to 6.25 percent and again in the first quarter of 2003 to 6.5 percent. At the state level, the initial level of personal income is higher in the optimistic forecast and wages and prices grow faster. The decline in Washington aerospace employment is more moderate than in the baseline scenario and the recovery in the next biennium is stronger. Population growth and construction employment growth were also enhanced in the optimistic alternative. By the end of the 1999-01 Biennium, Washington nonagricultural employment is higher by 63,300 jobs than in the baseline forecast and Washington personal income is \$10.8 billion higher. The optimistic scenario generated \$183 million (0.9 percent) more General Fund-State revenue in the 1999-01 biennium and \$847 million (3.8 percent) more revenue in the 2001-03 biennium than did the baseline forecast.

Governor's Council of Economic Advisors Scenario

In addition to the optimistic and pessimistic forecasts, the staff has prepared a forecast based on the opinions of the Governor's Council of Economic Advisors (GCEA) as summarized in Table 1.3. In the GCEA scenario, the U.S. and state forecasts were adjusted to match the average view of the Council members. Nationally the Governor's Council view was very similar to the baseline forecast with just slightly more inflation and real GDP growth. The GCEA scenario did exhibit

higher short term and long term interest rates, however. The GCEA forecasts for Washington State were also very similar to the baseline forecast. The Governor's Council members expected slightly stronger income growth, both nominal and real, as well as stronger employment growth than did the baseline forecast. Their housing forecast was weaker in fiscal 2001 and 2002 than the baseline but slightly stronger in 2003. At the end of the 2001-03 biennium, Washington nonagricultural employment is 13,800 higher in the GCEA forecast than in the baseline forecast and Washington personal income is \$1.152 billion higher. The Governor's Council scenario generated \$12 million (0.1 percent) more revenue in the 1999-01 and \$48 million (0.2 percent) more in 2001-03 biennium than did the baseline forecast.

Table 1.1
U.S. Economic Forecast Summary
Forecast 2001 to 2003

Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003
Real National Income Accounts (Billions of Chained 1996 Dollars)								
Real Gross Domestic Product	7,665.7	7,980.4	8,340.0	8,676.3	9,125.1	9,491.4	9,797.6	10,134.4
% Ch	2.8	4.1	4.5	4.0	5.2	4.0	3.2	3.4
Real Consumption	5,158.8	5,318.1	5,548.3	5,822.8	6,147.2	6,417.7	6,654.2	6,887.5
% Ch	3.1	3.1	4.3	4.9	5.6	4.4	3.7	3.5
Real Nonresidential Fixed Investment	849.9	951.0	1,079.1	1,193.9	1,338.0	1,476.5	1,564.6	1,669.1
% Ch	8.2	11.9	13.5	10.6	12.1	10.4	6.0	6.7
Real Residential Fixed Investment	302.4	316.2	330.0	361.5	370.1	364.1	376.2	368.2
% Ch	2.0	4.6	4.4	9.5	2.4	-1.6	3.3	-2.1
Real Personal Income	6,430.8	6,664.6	6,989.3	7,307.0	7,573.7	7,857.1	8,107.4	8,345.7
% Ch	2.8	3.6	4.9	4.5	3.7	3.7	3.2	2.9
Real Per Capita Income (\$/Person)	24,304	24,952	25,925	26,860	27,594	28,371	29,013	29,601
% Ch	1.8	2.7	3.9	3.6	2.7	2.8	2.3	2.0
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	0.989	1.011	1.025	1.038	1.061	1.086	1.110	1.137
% Ch	2.1	2.2	1.4	1.3	2.2	2.4	2.2	2.4
U.S. Consumer Price Index (1982-84=1.0)	1.546	1.590	1.619	1.647	1.694	1.745	1.788	1.833
% Ch	2.7	2.8	1.8	1.7	2.9	3.0	2.4	2.5
Employment Cost Index (June 1989=1.0)	1.239	1.280	1.330	1.380	1.431	1.495	1.558	1.614
% Ch	3.1	3.3	3.9	3.7	3.7	4.5	4.2	3.6
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	7,593.6	8,061.1	8,556.5	9,025.0	9,649.8	10,290.2	10,898.3	11,541.8
% Ch	4.9	6.2	6.1	5.5	6.9	6.6	5.9	5.9
Personal Income	6,361.3	6,736.6	7,161.7	7,587.9	8,037.2	8,534.2	9,002.5	9,488.1
% Ch	4.9	5.9	6.3	6.0	5.9	6.2	5.5	5.4
Employment (Millions)								
U.S. Civilian Labor Force	132.9	135.3	137.0	138.6	140.3	141.5	143.5	145.3
Total U.S. Employment	125.5	128.2	130.6	132.5	134.5	135.6	136.9	138.6
Unemployment Rate (%)	5.57	5.21	4.64	4.38	4.10	4.17	4.56	4.64
Wage and Salary Employment	118.27	121.10	124.30	127.34	130.26	132.10	133.07	134.33
% Ch	2.0	2.4	2.6	2.4	2.3	1.4	0.7	0.9
Manufacturing	18.49	18.56	18.81	18.66	18.49	18.26	17.74	17.32
% Ch	0.0	0.4	1.4	-0.8	-0.9	-1.2	-2.9	-2.4
Durable Manufacturing	10.73	10.88	11.17	11.14	11.10	11.00	10.68	10.44
% Ch	1.2	1.4	2.7	-0.2	-0.4	-0.9	-2.8	-2.3
Nondurable Manufacturing	7.76	7.68	7.65	7.52	7.39	7.27	7.06	6.88
% Ch	-1.6	-1.0	-0.5	-1.6	-1.7	-1.7	-2.9	-2.5
Nonmanufacturing	99.78	102.54	105.49	108.68	111.77	113.84	115.33	117.02
% Ch	2.4	2.8	2.9	3.0	2.8	1.9	1.3	1.5
Services	33.77	35.22	36.80	38.27	39.75	40.94	41.87	43.00
% Ch	4.2	4.3	4.5	4.0	3.9	3.0	2.3	2.7
Miscellaneous Indicators								
Credit Outstanding/Disp. Income	20.0	20.5	20.2	20.3	20.7	21.1	20.7	20.2
Auto Sales (Millions)	8.7	8.3	8.2	8.3	9.0	8.7	8.3	8.1
% Ch	-0.6	-4.5	-1.7	1.7	7.8	-3.7	-3.8	-2.8
Housing Starts (Millions)	1.447	1.457	1.530	1.676	1.672	1.581	1.651	1.516
% Ch	4.5	0.7	5.0	9.5	-0.2	-5.5	4.5	-8.2
Federal Budget Surplus (Billions)	-171.1	-97.1	2.3	83.9	191.8	258.6	220.6	170.8
Net Exports (Billions)	-74.8	-88.6	-115.6	-193.3	-317.5	-377.8	-423.5	-456.9
3-Month Treasury Bill Rate (%)	5.14	5.04	5.04	4.49	5.23	5.98	5.57	5.35
30-Year U.S. Govt. Bond Rate (%)	6.54	6.83	6.10	5.44	6.14	5.88	5.74	5.80
Bond Index of 20 G.O. Munis. (%)	5.78	5.72	5.24	5.08	5.82	5.99	6.04	5.97
Mortgage Rate (%)	7.60	7.90	7.20	6.93	8.05	8.04	7.50	7.34

Table 1.2
Washington Economic Forecast Summary
Forecast 2001 to 2003

Fiscal Years

	1996	1997	1998	1999	2000	2001	2002	2003
Real Income (Billions of Chained 1996 Dollars)								
Real Personal Income	135.326	143.508	152.594	161.923	171.279	174.388	180.434	186.403
% Ch	3.4	6.0	6.3	6.1	5.8	1.8	3.5	3.3
Real Wage and Salary Disb.	74.891	80.604	87.403	94.452	101.622	101.869	105.212	108.325
% Ch	4.3	7.6	8.4	8.1	7.6	0.2	3.3	3.0
Real Nonwage Income	60.435	62.903	65.191	67.471	69.657	72.520	75.221	78.078
% Ch	2.4	4.1	3.6	3.5	3.2	4.1	3.7	3.8
Real Per Capita Income (\$/Person)	24,576	25,649	26,886	28,176	29,538	29,778	30,411	30,934
% Ch	1.8	4.4	4.8	4.8	4.8	0.8	2.1	1.7
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	0.989	1.011	1.025	1.038	1.061	1.086	1.110	1.137
% Ch	2.1	2.2	1.4	1.3	2.2	2.4	2.2	2.4
Seattle Cons. Price Index (1982-84=1.0)	1.544	1.606	1.654	1.702	1.756	1.818	1.858	1.907
% Ch	2.8	4.0	3.0	2.9	3.2	3.5	2.2	2.6
Avg. Hourly Earnings-Mfg. (\$/Hour)	14.52	14.96	15.43	15.97	16.43	17.16	17.54	17.87
% Ch	-2.4	3.1	3.1	3.4	2.9	4.5	2.2	1.9
Current Dollar Income (Billions of Dollars)								
Nonfarm Personal Income	133.129	144.380	155.881	167.841	181.715	189.237	199.944	211.418
% Ch	5.5	8.5	8.0	7.7	8.3	4.1	5.7	5.7
Personal Income	133.868	145.063	156.361	168.153	181.755	189.417	200.357	211.920
% Ch	5.6	8.4	7.8	7.5	8.1	4.2	5.8	5.8
Disposable Personal Income	116.588	125.328	134.104	143.565	154.179	160.149	170.670	181.983
% Ch	4.9	7.5	7.0	7.1	7.4	3.9	6.6	6.6
Per Capita Income (\$/Person)	24,311	25,926	27,550	29,259	31,344	32,344	33,769	35,168
% Ch	3.9	6.6	6.3	6.2	7.1	3.2	4.4	4.1
Employment (Thousands)								
Washington Civilian Labor Force	2,842.9	2,928.5	3,015.0	3,062.0	3,081.4	3,085.2	3,137.2	3,198.2
Total Washington Employment	2,653.2	2,764.6	2,877.0	2,911.9	2,940.3	2,940.0	2,987.6	3,039.0
Unemployment Rate (%)	6.67	5.59	4.58	4.90	4.58	4.71	4.77	4.98
Wage and Salary Employment	2,371.5	2,464.8	2,558.2	2,622.0	2,682.7	2,728.0	2,773.2	2,824.5
% Ch	1.7	3.9	3.8	2.5	2.3	1.7	1.7	1.8
Manufacturing	332.8	357.5	378.5	373.3	356.7	351.4	352.2	354.4
% Ch	-1.5	7.4	5.9	-1.4	-4.4	-1.5	0.2	0.6
Durable Manufacturing	223.1	248.3	270.0	265.0	248.1	245.3	247.6	250.8
% Ch	-3.2	11.3	8.7	-1.9	-6.4	-1.2	1.0	1.3
Aerospace	77.3	95.8	111.2	107.9	90.1	86.4	86.4	88.9
% Ch	-13.1	23.8	16.1	-2.9	-16.5	-4.1	0.0	2.9
Nondurable Manufacturing	109.7	109.2	108.5	108.3	108.6	106.2	104.6	103.5
% Ch	2.1	-0.4	-0.7	-0.2	0.3	-2.2	-1.5	-1.0
Nonmanufacturing	2,038.7	2,107.3	2,179.7	2,248.7	2,325.9	2,376.5	2,421.0	2,470.1
% Ch	2.3	3.4	3.4	3.2	3.4	2.2	1.9	2.0
Construction	123.6	132.7	139.2	148.6	157.8	165.3	167.5	169.3
% Ch	0.8	7.4	4.9	6.8	6.2	4.7	1.3	1.1
Services	637.1	662.4	695.0	723.2	758.0	786.3	809.2	836.3
% Ch	4.3	4.0	4.9	4.1	4.8	3.7	2.9	3.4
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	39.516	38.050	45.127	45.346	41.285	40.913	43.909	40.886
% Ch	-4.8	-3.7	18.6	0.5	-9.0	-0.9	7.3	-6.9
Single-Family	27.998	26.010	29.346	28.228	27.386	25.877	27.122	26.204
% Ch	0.7	-7.1	12.8	-3.8	-3.0	-5.5	4.8	-3.4
Multi-Family	11.518	12.040	15.780	17.118	13.899	15.035	16.787	14.682
% Ch	-15.9	4.5	31.1	8.5	-18.8	8.2	11.7	-12.5
Mortgage Rate (%)	7.60	7.90	7.20	6.93	8.05	8.04	7.50	7.34

Table 1.3

Comparison of Alternative Forecasts

	Fiscal Year 2001				Fiscal Year 2002				Fiscal Year 2003			
	O	B	P	G	O	B	P	G	O	B	P	G
U.S.												
Real GDP	9494.7	9491.4	9494.7	9494.7	9803.4	9797.6	9803.4	9803.4	10202.1	10134.4	10202.1	10202.1
%Ch	4.0	4.0	3.7	4.0	3.3	3.2	-0.1	3.3	4.1	3.4	5.3	3.4
Implicit Price Deflator	1.086	1.086	1.089	1.088	1.111	1.110	1.134	1.113	1.142	1.137	1.159	1.139
%Ch	2.4	2.4	2.6	2.5	2.3	2.2	4.1	2.4	2.8	2.4	2.3	2.4
Mortgage Rate	8.04	8.04	8.28	7.94	7.52	7.50	7.67	7.85	7.76	7.34	6.97	7.80
3 Month T-Bill Rate	5.98	5.98	6.23	5.84	5.59	5.57	5.14	5.97	5.87	5.35	4.34	5.95
Washington												
Real Personal Income*	176.341	174.388	172.035	174.490	184.629	180.434	170.274	180.888	193.427	186.403	175.952	186.986
%Ch	3.0	1.8	0.4	1.9	4.7	3.5	-1.0	3.7	4.8	3.3	3.3	3.4
Personal Income	191.545	189.417	187.323	189.776	205.114	200.357	193.076	201.358	220.825	211.920	204.022	213.081
%Ch	5.4	4.2	3.1	4.4	7.1	5.8	3.1	6.1	7.7	5.8	5.7	5.8
Employment	2735.3	2728.0	2718.5	2733.4	2798.1	2773.2	2717.3	2784.1	2875.9	2824.5	2754.0	2837.0
%Ch	2.0	1.7	1.3	1.9	2.3	1.7	-0.0	1.9	2.8	1.8	1.4	1.9
Housing Permits	42.323	40.913	37.882	40.653	48.066	43.909	31.806	40.860	52.016	40.886	47.043	41.470
%Ch	2.5	-0.9	-8.2	-1.5	13.6	7.3	-16.0	0.5	8.2	-6.9	47.9	1.5

(O) Optimistic; (B) Baseline; (P) Pessimistic; (G) Governor's Council of Economic Advisors

Table 1.4

Forecast Analysis

Comparison of Forecasts for 1999-01

Forecast Date	1998				1999				2000				2001	
	<u>Feb.</u>	<u>June</u>	<u>Sept.</u>	<u>Nov.</u>	<u>Mar.</u>	<u>June</u>	<u>Sept.</u>	<u>Nov.</u>	<u>Feb.</u>	<u>June</u>	<u>Sept.</u>	<u>Nov.</u>	<u>Mar.</u>	<u>June</u>
U.S.														
Percent Growth, 99:2-01:2														
Real GDP	4.6	4.9	4.6	4.4	4.4	3.7	5.4	6.0	7.6	8.9	9.4	9.3		
Implicit Price Deflator	4.6	5.0	5.1	5.1	3.8	3.7	3.7	3.9	3.3	4.2	4.9	4.6		
Average Rate, 99:3 to 01:2														
3 Month T-Bill Rate	4.16	4.38	4.02	3.94	4.62	4.41	4.88	4.94	5.25	5.61	5.56	5.60		
Mortgage Rate	6.92	6.53	6.11	6.05	6.84	7.00	7.35	7.61	7.96	8.02	8.00	8.05		
Washington														
Percent Growth, 99:2-01:2														
Employment	3.6	3.6	3.1	3.2	3.0	3.0	3.5	3.0	3.4	4.2	5.1	4.1		
Personal Income	9.5	9.8	9.1	8.6	8.6	8.2	9.3	11.1	13.7	12.6	13.5	13.2		
Real Personal Income	4.7	4.5	3.9	3.4	4.6	4.3	5.3	6.9	10.1	8.1	8.2	8.2		
Total (Thousands of units), 99:3 to 01:2														
Housing Units Authorized	85.4	89.9	88.1	85.9	83.6	84.0	84.1	81.7	79.4	81.9	82.9	82.2		

Table 1.5

Fiscal Years

Forecast Comparison

Forecast 2001 to 2003

	1999	2000	2001	2002	2003
U.S.					
Real GDP					
November Baseline	8676.3	9125.1	9491.4	9797.6	10134.4
% Ch	4.0	5.2	4.0	3.2	3.4
September Baseline	8676.3	9122.6	9499.2	9783.6	10130.2
% Ch	4.0	5.1	4.1	3.0	3.5
Implicit Price Deflator					
November Baseline	1.038	1.061	1.086	1.110	1.137
% Ch	1.3	2.2	2.4	2.2	2.4
September Baseline	1.038	1.061	1.088	1.111	1.139
% Ch	1.3	2.2	2.5	2.2	2.5
U.S. Unemployment Rate					
November Baseline	4.38	4.10	4.17	4.56	4.64
September Baseline	4.38	4.10	4.00	4.37	4.31
Mortgage Rate					
November Baseline	6.93	8.05	8.04	7.50	7.34
September Baseline	6.93	8.05	7.94	7.91	7.89
3 Month T-Bill Rate					
November Baseline	4.49	5.23	5.98	5.57	5.35
September Baseline	4.49	5.23	5.89	5.66	5.58
Washington					
Real Personal Income					
November Baseline	161.923	171.279	174.388	180.434	186.403
% Ch	6.1	5.8	1.8	3.5	3.3
September Baseline	162.733	171.897	175.448	181.239	186.575
% Ch	6.2	5.6	2.1	3.3	2.9
Personal Income					
November Baseline	168.153	181.755	189.417	200.357	211.920
% Ch	7.5	8.1	4.2	5.8	5.8
September Baseline	168.993	182.428	190.887	201.439	212.501
% Ch	7.7	8.0	4.6	5.5	5.5
Employment					
November Baseline	2622.0	2682.7	2728.0	2773.2	2824.5
% Ch	2.5	2.3	1.7	1.7	1.8
September Baseline	2622.0	2683.5	2749.2	2796.9	2850.4
% Ch	2.5	2.3	2.4	1.7	1.9
Housing Permits					
November Baseline	45.346	41.285	40.913	43.909	40.886
% Ch	0.5	-9.0	-0.9	7.3	-6.9
September Baseline	45.346	41.285	41.612	41.512	41.238
% Ch	0.5	-9.0	0.8	-0.2	-0.7

Table 1.6

Calendar Years

Long Range Economic Outlook

Forecast 2000 to 2010

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
U.S.*											
Real GDP, %Ch	5.2	3.3	3.3	3.5	3.6	3.2	3.1	3.1	3.3	3.3	3.5
Implicit Price Deflator, %Ch	2.5	2.2	2.3	2.4	2.7	2.9	3.0	3.0	2.9	2.9	3.0
3 Month T-Bill Rate	5.81	5.79	5.43	5.35	5.34	5.40	5.61	5.63	5.65	5.66	5.68
Mortgage Rate	8.20	7.78	7.37	7.36	7.26	7.37	7.62	7.69	7.75	7.77	7.80
State**											
Real Personal Income, %Ch	3.4	3.0	3.3	3.4	2.5	2.5	2.5	2.5	2.5	2.5	2.5
Personal Income, %Ch	5.9	5.2	5.7	5.9	5.2	5.5	5.6	5.6	5.5	5.5	5.6
Employment, %Ch	2.4	1.4	1.8	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.0

* November 2000 Baseline (2000-2003) extended with the DRI October 2000 Trendlong Forecast.

** November 2000 Baseline (2000-2003) judgmentally extended through 2010.

Comparison of Washington and U.S. Economic Forecasts

Chart 1.1
Total Nonagricultural Employment

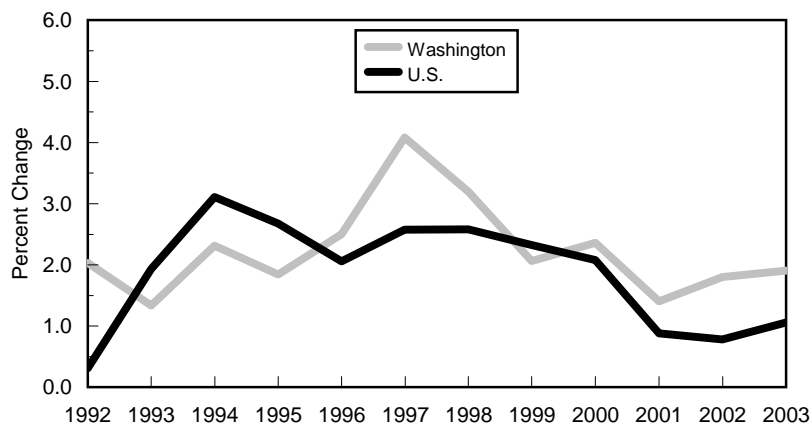


Chart 1.2
Manufacturing Employment

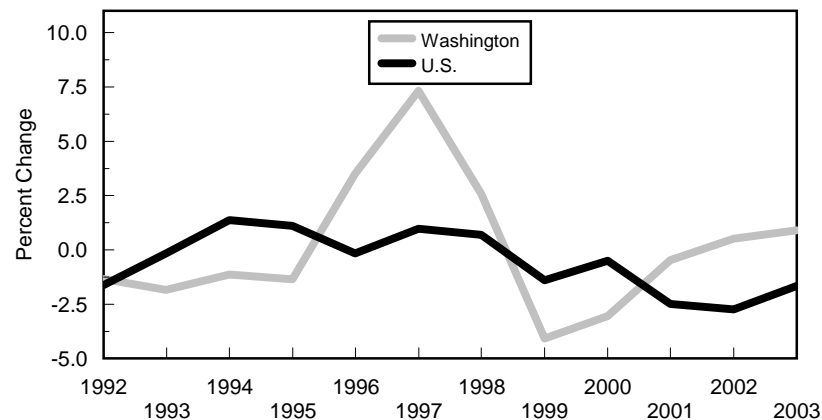


Chart 1.3
Aerospace Employment

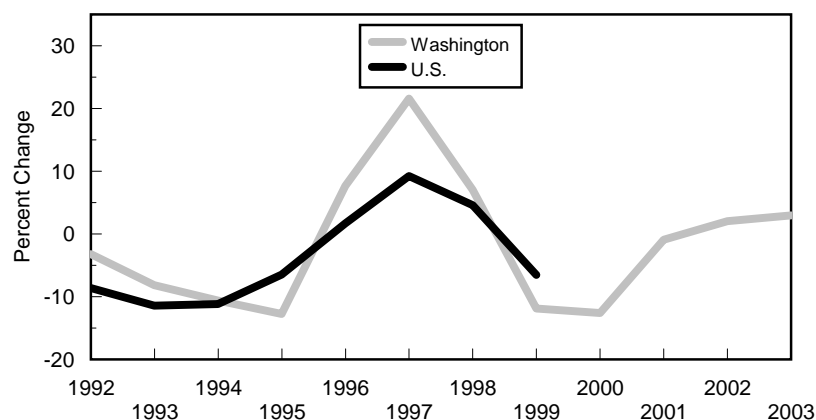
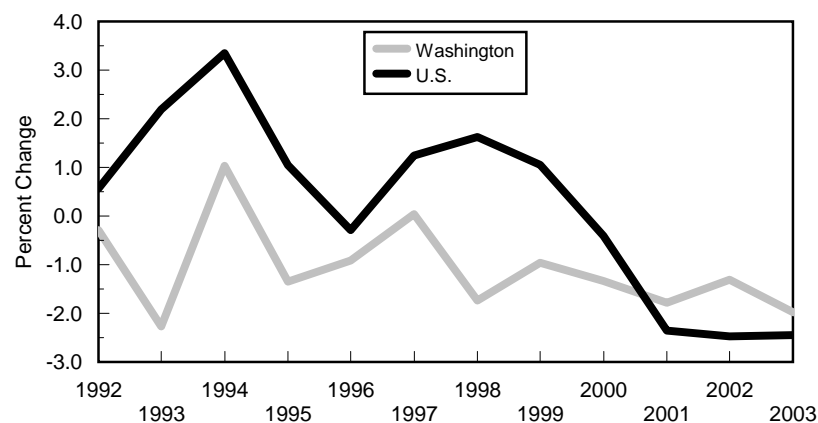


Chart 1.4
Forest Products Employment



Comparison of Washington and U.S. Economic Forecasts

Chart 1.5
Construction Employment

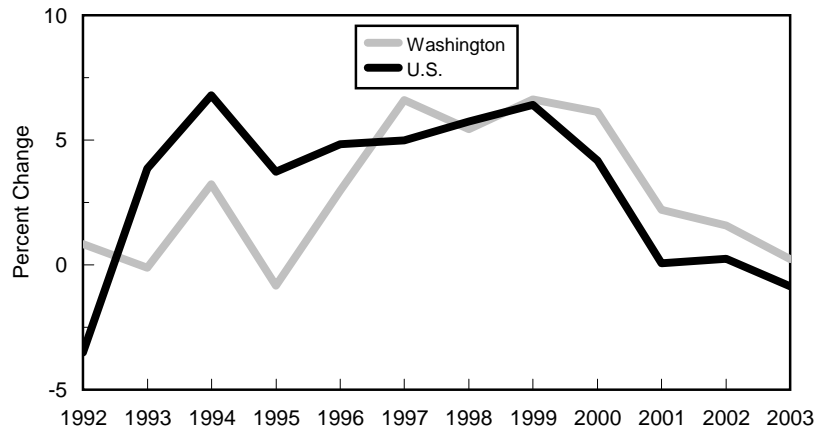


Chart 1.6
Trade Employment

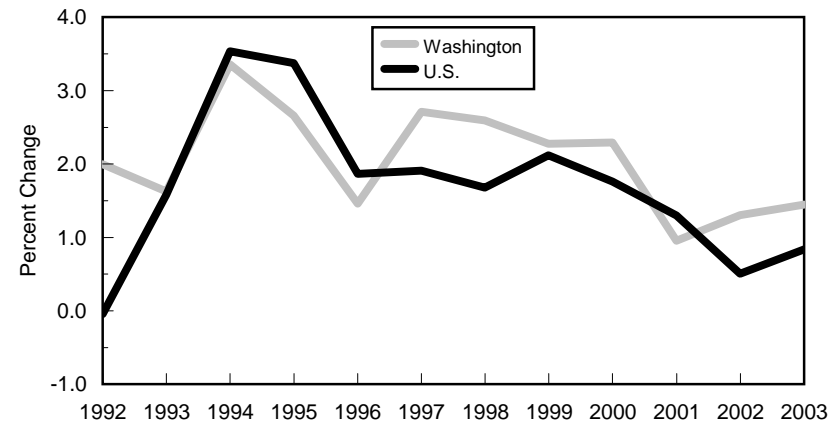


Chart 1.7
Services Employment

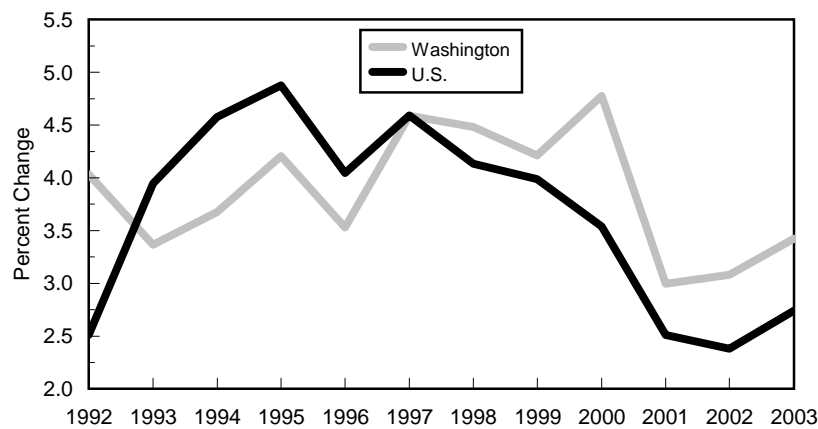
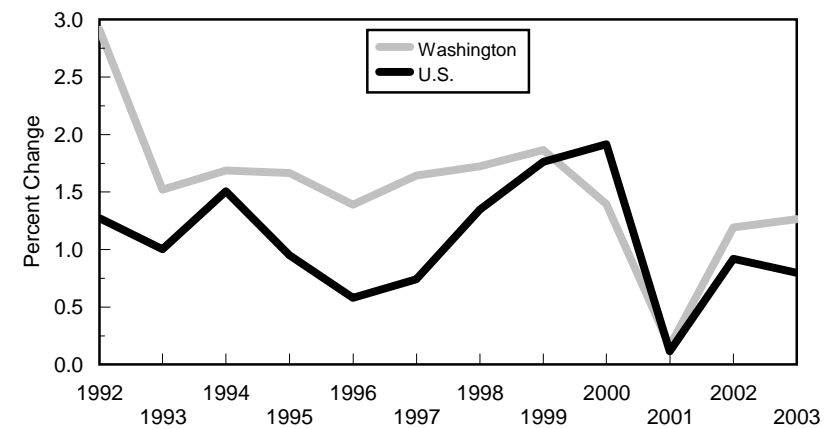


Chart 1.8
Government Employment



Comparison of Washington and U.S. Economic Forecasts

Chart 1.9
Real Personal Income

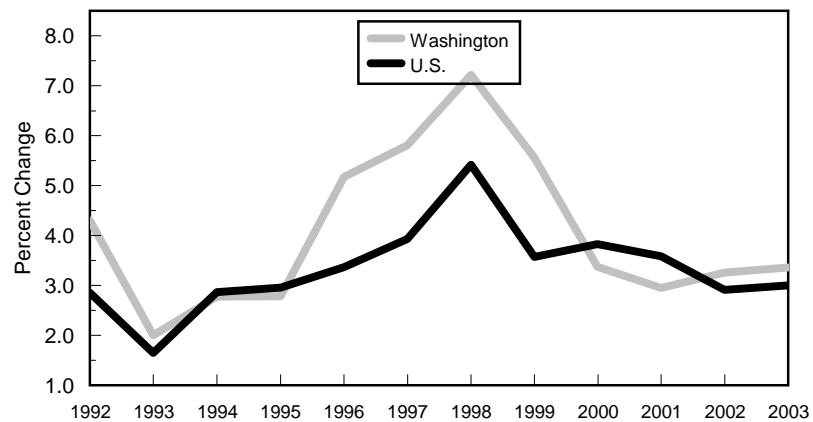


Chart 1.10
Consumer Price Indices

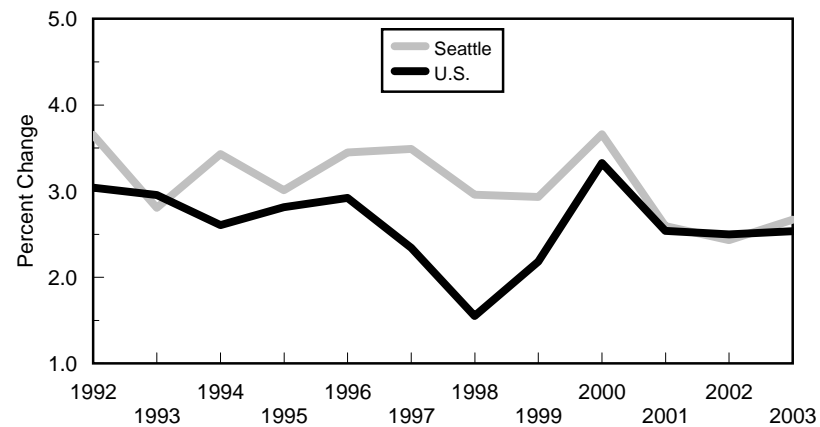


Chart 1.11
Population

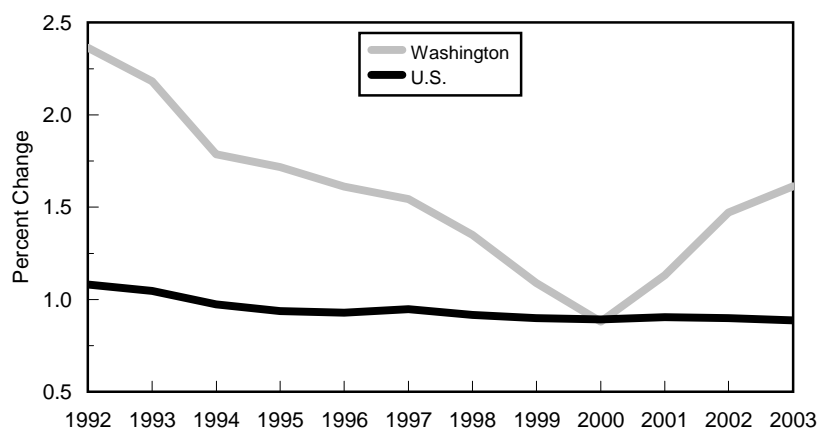
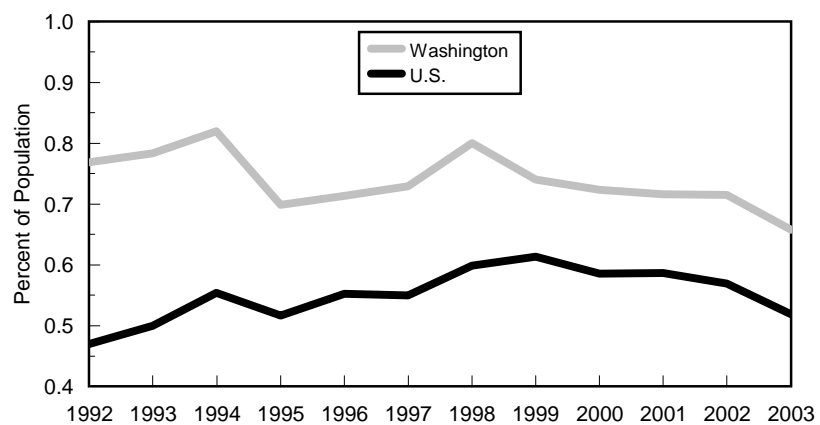


Chart 1.12
Per Capita Housing Units



Comparison of Alternative U.S. Forecasts

Chart 1.13
Real GDP

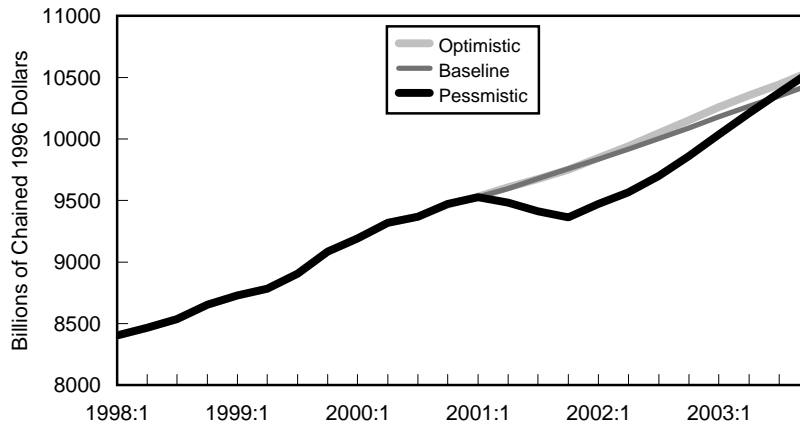


Chart 1.14
Implicit Price Deflator

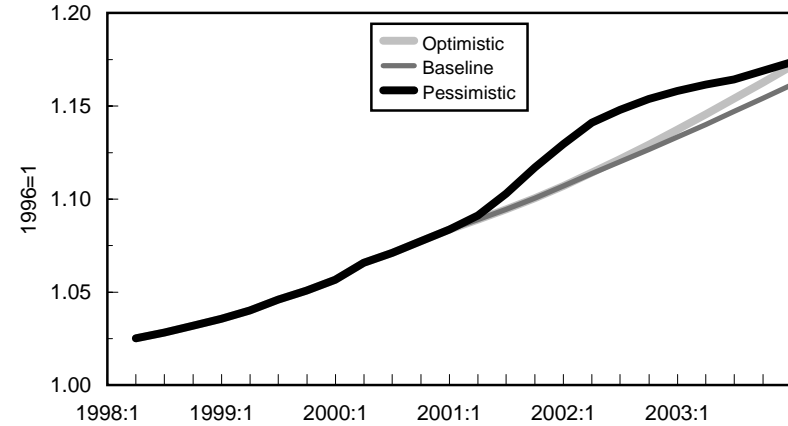


Chart 1.15
Mortgage Rate

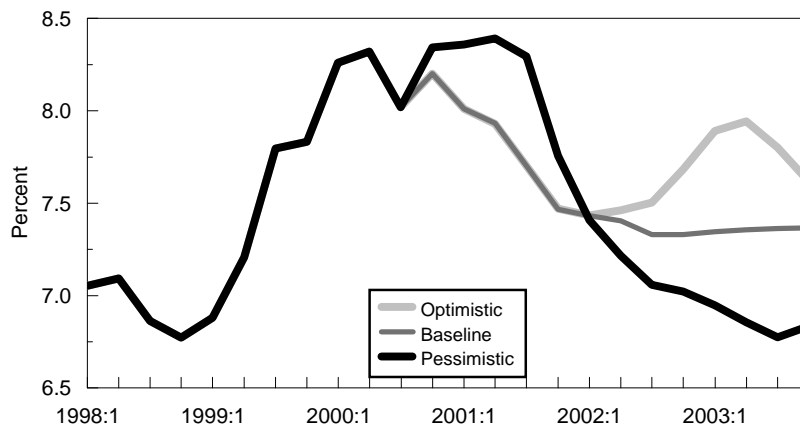
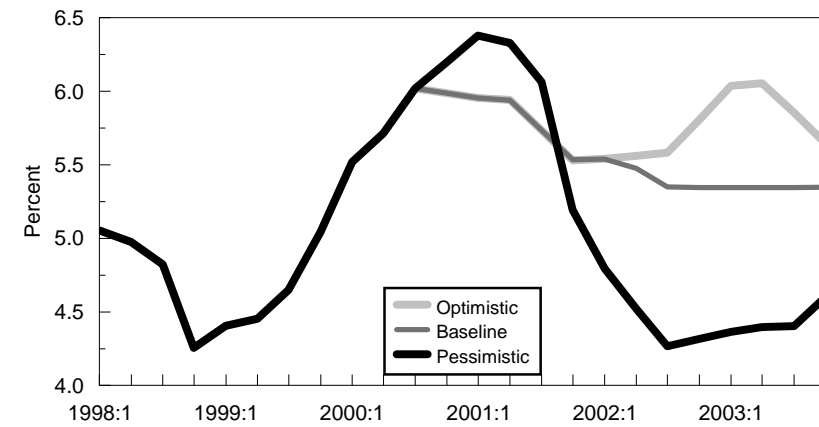


Chart 1.16
Three Month T-Bill Rate



Comparison of Alternative Washington Forecasts

Chart 1.17
Personal Income

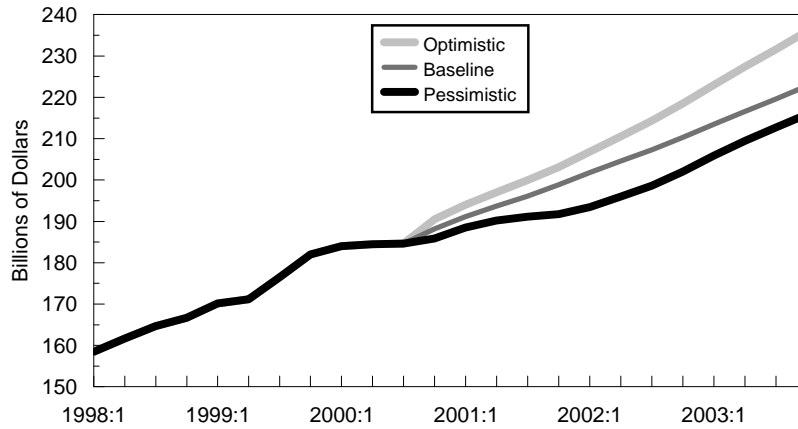


Chart 1.18
Real Personal Income

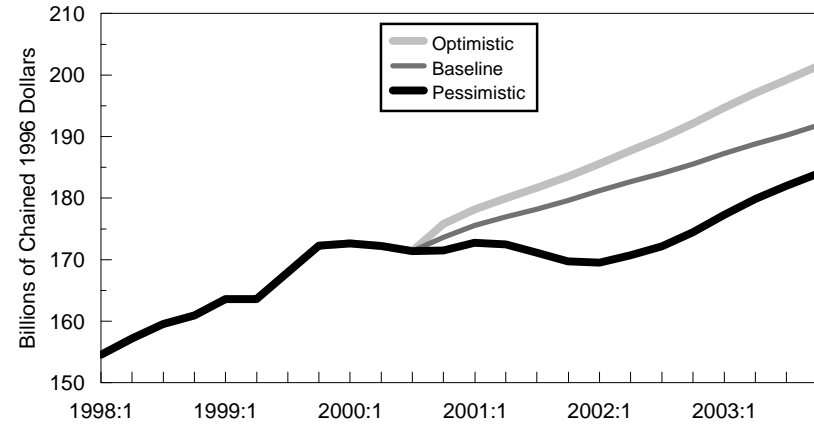


Chart 1.19
Nonagricultural Employment

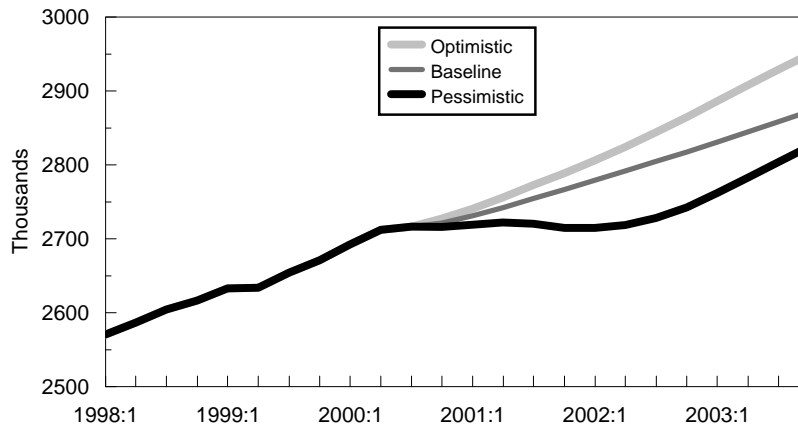
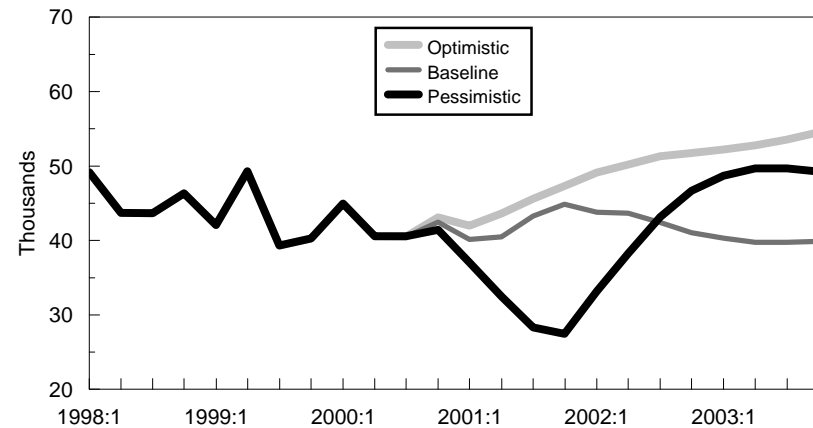


Chart 1.20
Housing Permits



Washington Business Indicators

The National Economy

The U.S. economic growth slowed in the third quarter of 2000, with real Gross Domestic Product (GDP) up only 2.4* percent from the second quarter of 2000. Growth in the third quarter was less than half the 5.6 percent increase in the second quarter and the weakest increase since the third quarter of 1996. Weaker growth was expected. The November forecast assumed only a 2.2 percent increase. Investment spending also slowed in the third quarter, increasing only 2.1 percent. While real GDP and investment growth decelerated in the third quarter, real consumption spending improved, increasing at a 4.5 percent annual rate in the third quarter, up from the 3.1 percent increase last quarter. Still, third quarter consumer spending was, with the exception of last quarter, the weakest since mid 1998.

Despite evidence of slower growth the economy is in remarkably good shape. The unemployment rate fell to 3.9 percent in September and remained there in October. The dollar is strong and inflation still appears under control despite pressure from high oil prices and a still tight labor market. Consumer prices rose 0.2 percent in October after increasing 0.5 percent in September. A lot of the recent increase in prices is energy related. Indeed, the price of oil is the wild card. The price of oil has been slowly retreating from near \$40 a barrel but it still remains relatively high. Excluding food and energy, consumer prices are only 2.5 percent higher than in October 1999, a much less threatening increase than the 3.4 percent rise including food and energy.

Other evidence is mounting that economic growth may be softening. The National Association of Purchasing Management Index fell to 48.3 in October. This index has fallen eight of the last eleven months and has been below 50 for the last three months. An index reading above 50 indicates that the manufacturing sector is generally expanding while a reading below 50 indicates that manufacturing is generally contracting. The Conference Board reported that its Index of Consumer Confidence fell sharply in November to its lowest level since October 1999. The index now stands at 135.5 down from 135.8 in October. The index reflects growing uneasiness on the part of consumers as to overall economic conditions and the outlook for jobs. The Conference Board also reported that the U.S. Index of Leading Indicators declined 0.2 percent in October. The index has declined or has been unchanged eight of the last nine months, a sign of a change in momentum of the economy. In total, the index is down 0.8 percent since January.

The Federal Open Market Committee has left interest rates unchanged at its last four meetings although it has repeatedly cautioned that risks remain weighted towards potentially higher inflation

because of tight labor markets and costlier energy. The FOMC meets again in December. The consensus among economists is that despite more signs of slowing, the FOMC will leave the federal funds target unchanged at 6.5 percent. There is no consensus as to whether they will change their bias from one that sees inflation as the greatest risk to future economic growth. However, as more data point to a slowing economy, there is a growing possibility that indeed the Fed may shift to a neutral bias in December.

The State Economy and Indicators

The Washington economy also slowed in the third quarter. Washington wage and salary employment grew at a 0.7 percent annual rate in the third quarter, down from 3.0 percent increase in the second quarter. However, statewide employment growth is distorted due to the reduction of temporary Census workers and to an anomaly in local government employment. Adjusting for these factors, employment growth still slowed from 1.3 percent in the second to 1.1 percent in the third quarter. Manufacturing employment also remained weak in the third quarter, falling 4.1 percent. Manufacturing employment was up in the second quarter; however, this was solely due to the impact of the strike at Boeing in the first quarter. Excluding the strike, manufacturing employment declined in the second quarter as well. Strike-adjusted manufacturing employment has now declined for nine consecutive quarters. The state's seasonally adjusted unemployment rate stood at 4.7 percent of the labor force in October 2000, this is unchanged from September. The state's unemployment rate reached a low of 4.3 percent in December of 1999. The October unemployment rate is 0.2 percent above the year-ago level.

For the third consecutive month the Tri-Cities reported the strongest year-over-year job growth, with employment in October up 3.6 percent from a year earlier. October job growth was also relatively strong in the Spokane MSA with employment up 2.5 percent and in the Tacoma PMSA, with employment up 1.9 percent. Job growth in other areas of the state was weaker, growing less than the statewide average of 1.8 percent. The Seattle PMSA reported a 1.6 percent increase. In the Bellingham MSA employment was up 1.5 percent and employment grew 1.4 percent in the Bremerton PMSA. Employment grew only 1.3 percent in Clark County and 0.5 percent in the Yakima MSA. October employment declined 0.6 percent in the Olympia MSA.

As is often the case a variety of state economic indicators show conflicting signals as to the direction and strength of the state's economy. The Seattle Times Index of Help-Wanted Advertising was unchanged in October but it has been weak for several months. This index is 24 percent below the year-ago level. New car and truck sales hit an all-time high in August 2000. Although sales have declined a little on a seasonally adjusted basis in both September and October they remain at a very high level. October sales are 17.4 percent higher than a year-ago. The Washington Purchasing Management Index declined in October to 55.1. Although the index is above 50, indicating an expanding manufacturing sector, the index has declined 4 of the past 5 months and is 16.6 percent below the year-ago level. Washington's boom monitor index fell to 52.6 in October from 53.4 in September. The boom monitor index is designed to signal when the Washington economy exceeds the limit of sustainable growth. When the index exceeds 50, its long run average, the economy is considered to be expanding above trend; when it exceeds 70, one standard deviation from its long run average, the growth of the economy is considered unsustainable. The index, while it remains above 50, it has fallen three of the last five months and is 5.9 percent below the year-ago level. Five of the seven components were down in October.

The Washington Index of Leading Indicators fell in October to 100.4 from 100.6 in September. September's decline was the sixth in a row and the eighth in the past nine months. The October index is 2.6 percent below the year-ago level. Four of the seven components of the index pushed it down in October: an increase in initial claims for unemployment insurance and a higher exchange rate, along with declines in building permits, and the U.S. leading index. Three components were higher in October: average hourly earnings in manufacturing, the index of help-wanted advertising, and aerospace employment. The broad weakness in the state index of leading indicators and the boom monitor index continues to signal that Washington's economic growth may slow.

*This is based on the most recent data from the Bureau of Economic Analysis (the preliminary GDP estimates released November 29, 2000).

Washington State Economic Indicators

Chart 2.1
Year-over-Year Employment Growth
January 1980 to October 2000

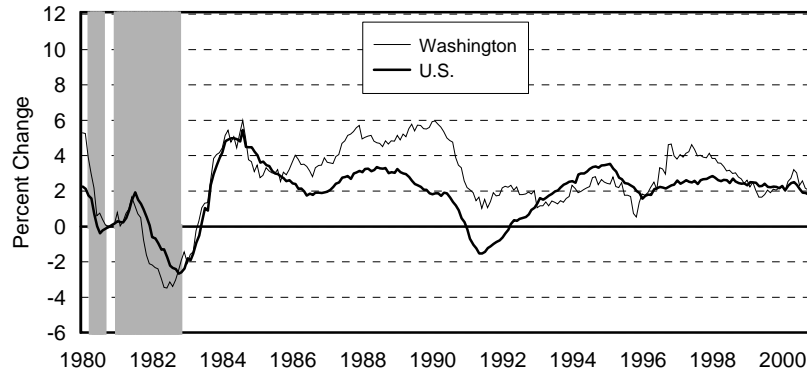


Chart 2.2
Washington Aircraft and Parts Employment
January 1958 to October 2000

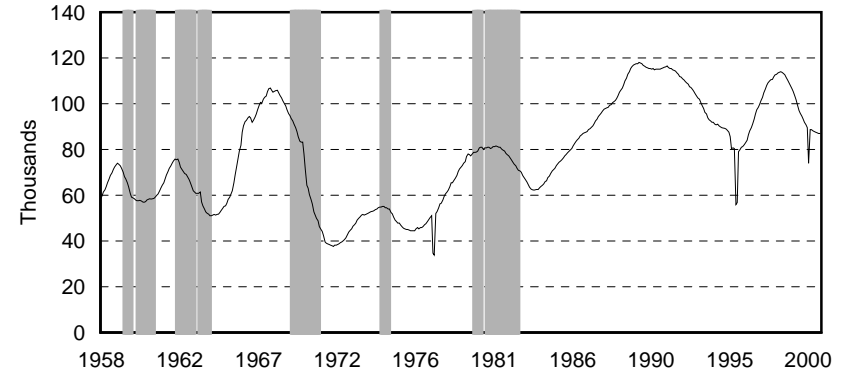


Chart 2.3
Unemployment Rate
January 1980 to October 2000

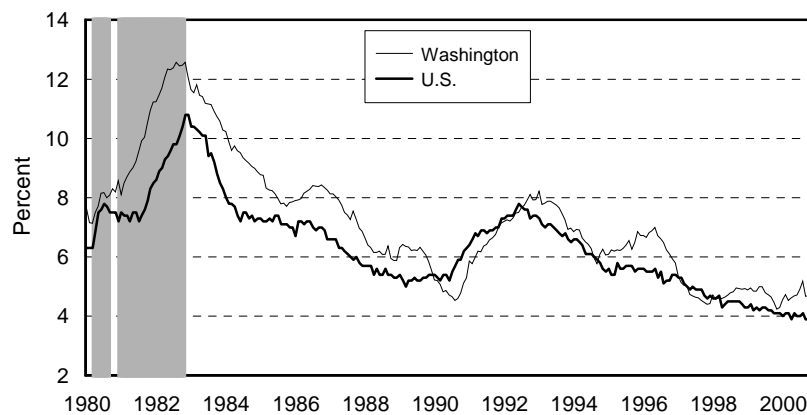
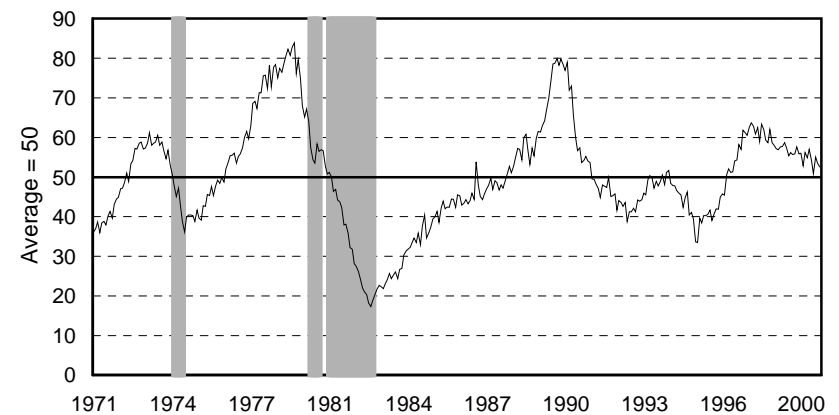


Chart 2.4
Washington Boom Monitor Composite Index
July 1971 to October 2000



* Shaded areas correspond with Washington employment downturns.

Washington State Leading Indicators

Chart 2.5
The Washington and U.S. Indexes of Leading Indicators
January 1970 to October 2000

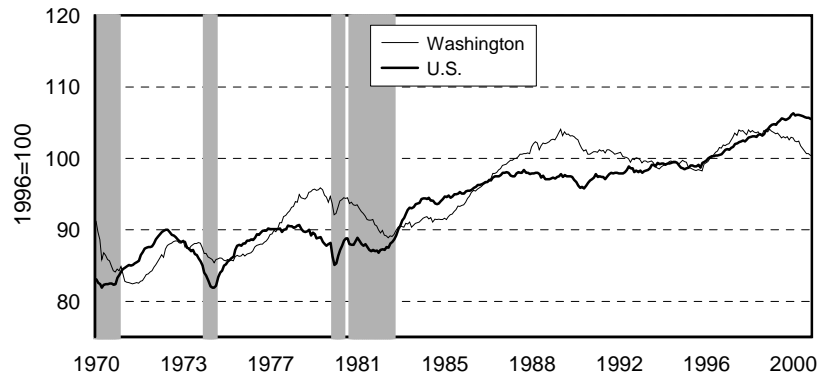


Chart 2.6
Washington Initial Claims for Unemployment Insurance
January 1970 to October 2000

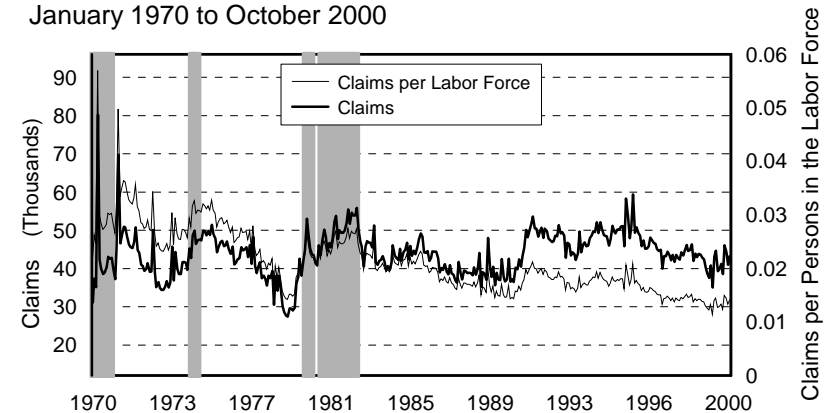


Chart 2.7
Seattle Times and U.S. Help-Wanted Advertising Indexes
January 1970 to October 2000

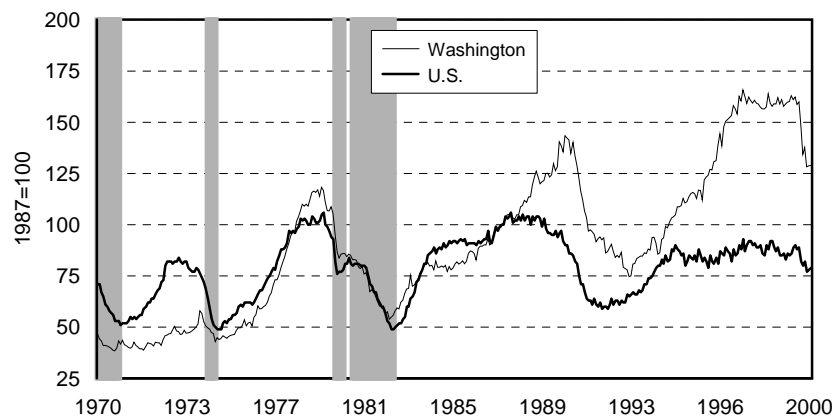
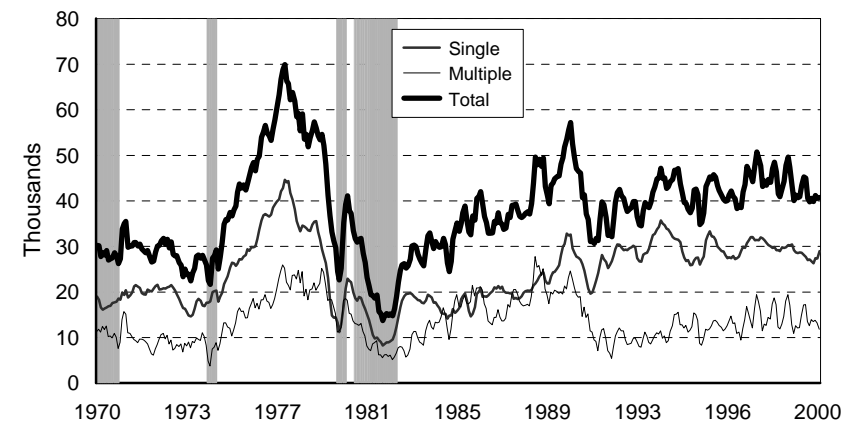


Chart 2.8
Housing Units Authorized in Washington State
January 1970 to October 2000, 3-Month Moving Average



* Shaded areas correspond with Washington employment downturns.

Other State Economic Indicators

Chart 2.9
Average Weekly Hours in Manufacturing
January 1970 to October 2000, 3-Month Moving Average

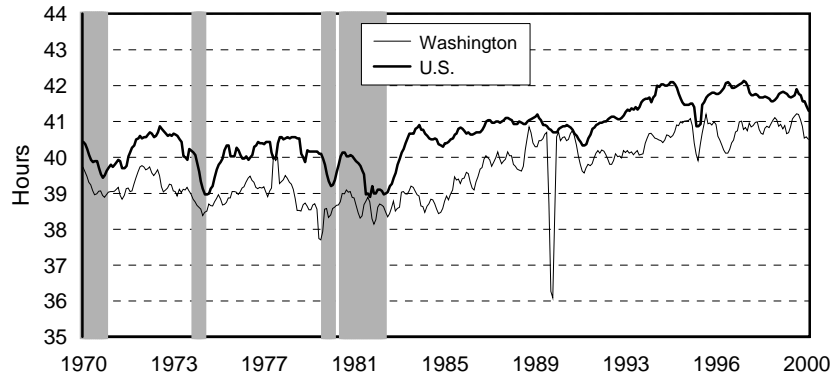


Chart 2.10
Washington Driver's License Migration
September 1983 to October 2000, 12-Month Moving Average

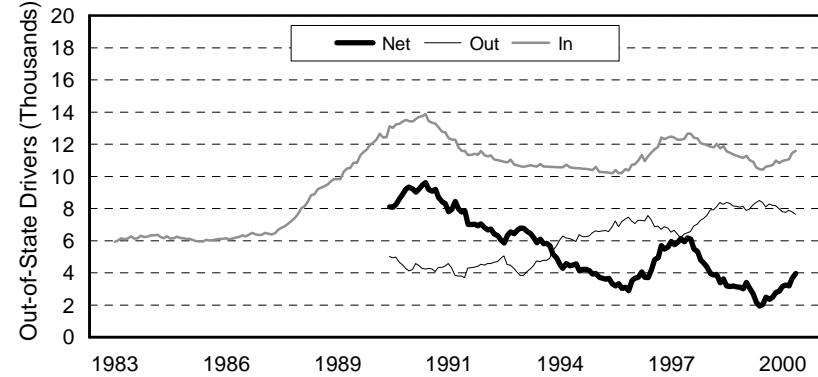


Chart 2.11
New Car and Truck Registrations in Washington
January 1977 to October 2000, 6-Month Moving Average

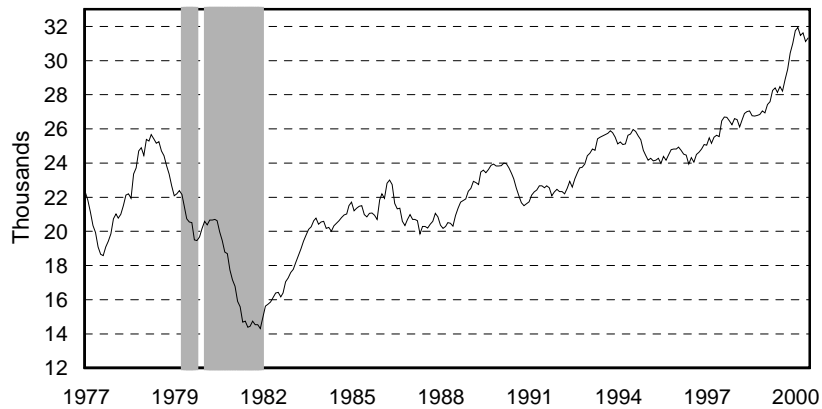
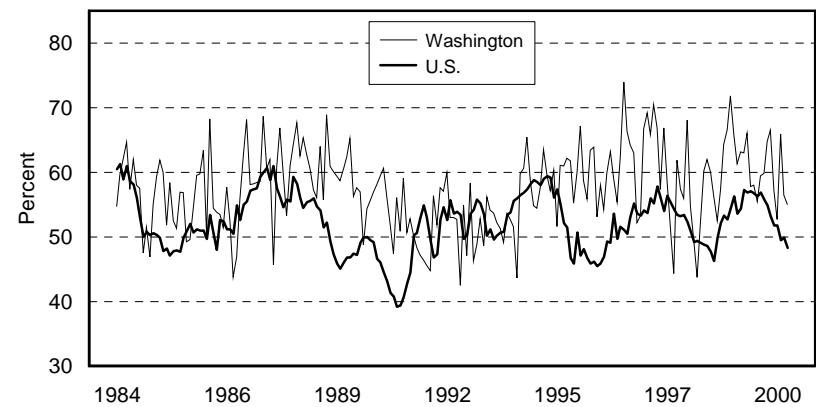


Chart 2.12
Purchasing Management Composite Index
January 1984 to October 2000



* Shaded areas correspond with Washington employment downturns.

Other Economic Indicators

Chart 2.13
Quarterly U.S. Real GDP Growth
1970 Q1 to 2000 Q3

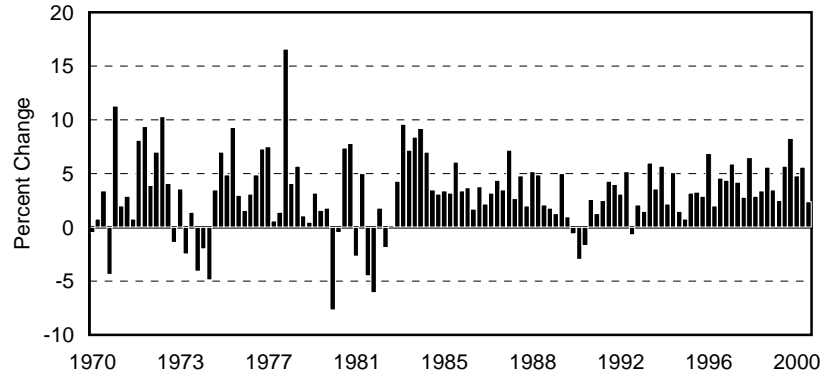


Chart 2.14
Washington State Export Composition
Change from Same Quarter Year Ago

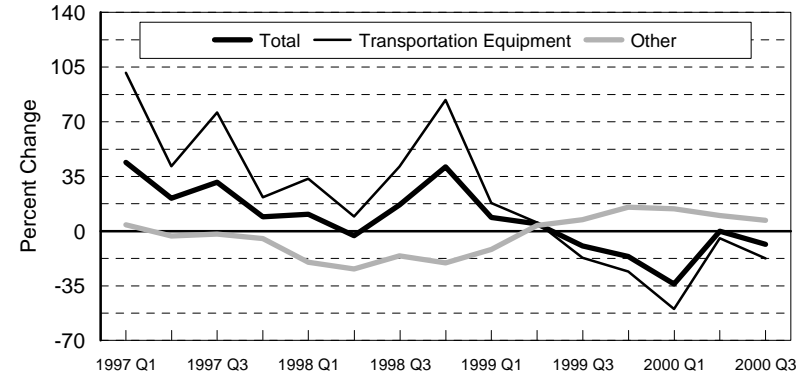


Chart 2.15
U.S. Economic Indicators
January 1970 to October 2000

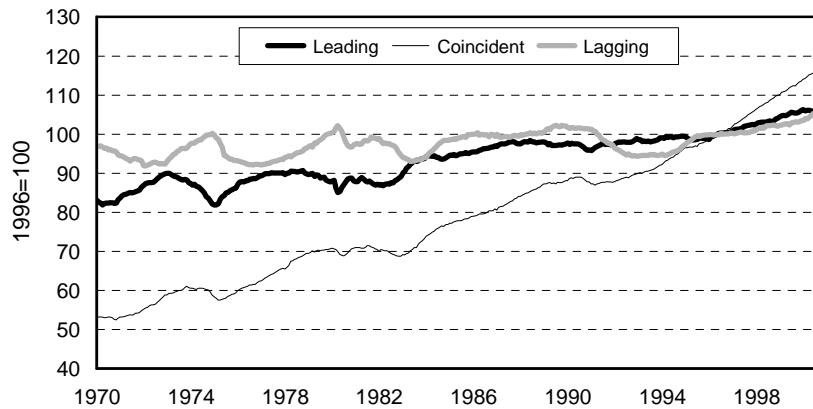
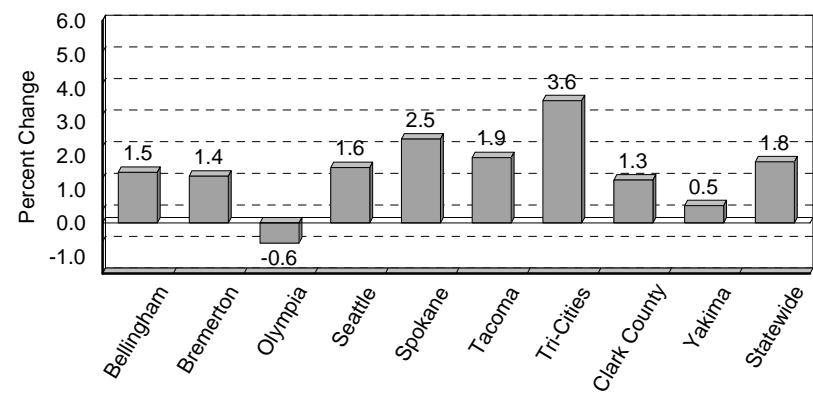


Chart 2.16
Employment Growth in Metropolitan Areas of Washington
October 1999 to October 2000 Change



* Shaded areas correspond with U.S. business cycle contractions as defined by the National Bureau of Economic Analysis.

Table 2.1

Washington Business Indicators

Historical Data

	Washington Index of Leading Indicators	U.S. Index of Leading Indicators	Seattle Index of Help-Wanted Advertising	U.S. Index of Help-Wanted Advertising	Washington Purchasing Management Index	U.S. Purchasing Management Index
1998:06	103.6	103.0	159	89	NA	49.2
1998:07	103.7	103.3	159	89	43.7	49.4
1998:08	103.3	103.4	157	90	NA	49.1
1998:09	103.3	103.2	156	86	60.2	48.8
1998:10	103.9	103.4	156	85	61.9	48.6
1998:11	103.8	103.9	157	90	60.0	47.7
1998:12	103.7	104.1	164	88	NA	46.3
1999:01	104.0	104.5	159	92	52.5	49.9
1999:02	103.8	104.7	158	92	57.2	52.1
1999:03	103.6	104.8	159	89	64.3	53.3
1999:04	103.5	104.7	159	87	66.6	52.7
1999:05	103.6	105.0	162	89	71.8	54.4
1999:06	103.2	105.3	159	85	65.7	56.3
1999:07	102.9	105.6	161	85	61.4	53.6
1999:08	103.0	105.5	158	86	63.2	54.4
1999:09	102.8	105.4	159	83	63.0	57.3
1999:10	103.0	105.5	160	86	66.0	56.9
1999:11	102.6	105.7	160	85	57.8	57.1
1999:12	102.9	106.1	163	86	58.0	56.8
2000:1	102.9	106.3	161	89	55.5	56.3
2000:2	102.4	106.0	162	90	59.5	56.9
2000:3	102.3	106.1	159	88	59.8	55.8
2000:4	102.4	106.1	160	89	64.8	54.9
2000:5	101.8	106.0	148	82	66.5	53.2
2000:6	101.3	105.9	134	80	57.2	51.8
2000:7	101.0	105.8	138	82	52.7	51.8
2000:8	100.7	105.7	128	77	65.9	49.5
2000:9	100.6	105.7	129	78	56.4	49.9
2000:10	100.4	105.5	129	79	55.1	48.3

Washington State Revenue Forecast Summary

Introduction

The Economic and Revenue Forecast Council approved a \$400 million reduction to the General Fund-State (GFS) revenue forecast at its November 16, 2000 meeting. The forecast for the current biennium was increased \$39.1 million, however, the forecast for the 2001-03 biennium was reduced \$439.1 million. The primary reason for the relatively large change was the passage of Initiatives 722 and 728 in the November 7, 2000 General Election. These initiatives are estimated to reduce GFS revenue by a total of \$491.8 million over the next three years: \$9.5 million during the remainder of the 1999-01 biennium and \$482.3 million in the 2001-03 biennium. There has been little change to the economic outlook since the September forecast, hence, the GFS revenue forecast has changed very little in November due to economic factors. The impact of the initiatives aside, the revenue forecast for the 1999-01 biennium is \$48.6 million higher than in September and the forecast for the 2001-03 biennium is \$43.2 million higher.

The U.S. economy is enjoying its longest economic expansion in its history. Evidence is mounting, however, that growth is finally losing its momentum. Nationally, real gross domestic product (GDP) growth slowed to 2.4 percent (preliminary estimate) in the third quarter, the weakest increase since the second quarter of 1996. The Washington economy also continues to show signs of moderating with noticeable slowing in both income and employment growth in the third quarter. Weaker economic growth is expected to slow revenue growth in the latter part of the 1999-01 biennium. Still, for the biennium as a whole, revenue growth in the 1999-01 biennium will be, with the exception of the 1997-99 biennium, the best in ten years. General Fund-State revenue in the 1999-01 biennium is now expected to total \$21,168.9 million, \$1.5 billion more than in the 1997-99 biennium.

Table 3.1 Cash Basis
Revision to the General Fund-State Forecast
 November 2000
 (Millions of dollars)

	1999-01 Biennium	2001-03 Biennium	Total
Forecast Change	\$48.6	\$43.2	\$91.8
Non Economic ¹	(\$9.5)	(\$482.3)	(\$491.8)
Total Change*	\$39.1	(\$439.1)	(\$400.0)

¹ Impact of Initiatives 722 and 728. The estimate of Initiative 728 is based on an OFM analysis, subject to continuing review.

*Detail may not add to totals due to rounding

Higher projected revenue has improved the outlook for the 1999-01 General Fund State ending balance. Total resources for the 1999-01 biennium (revenue plus a beginning balance of \$462 million) are projected to exceed appropriations by \$779.8 million. The November estimate of the 1999-01 ending balance is up from \$741.9 million in September. Revenue above the Initiative 601 spending limit are now expected to trigger a transfer of \$234.3 million to the Emergency Reserve Fund. This is up \$39.6 million from the \$194.7 million expected in September. The total GFS unreserved ending balance is now projected to be \$550.4 million. The Emergency Reserve Fund ending balance is projected to be \$536.8 at the end of the 1999-01 biennium.

The General Fund-State revenue forecast for the 2001-03 biennium, which begins July 1, 2001 is expected to total \$22,327.1 million. This is \$1.2 billion, 5.5 percent, more than the current estimate for the 1999-01 biennium. The November forecast for the 2001-03 biennium is \$439.1 million less than in September. The lower forecast in November reflects the impact of initiatives 722 and 728. Together these initiatives reduce GFS revenue in the 2001-03 biennium by \$482.3 million. There was little change to the economic forecast in November. A slightly higher base and a little better outlook for the growth in personal income increased the 2001-03 forecast by \$43.2 million, off setting only a fraction of the loss due to the initiatives.

Background and Assumptions

The Washington State GFS revenue forecast is prepared quarterly in conjunction with the state economic forecast for the Economic and Revenue Forecast Council. The Economic and Revenue Forecast Council was created by Chapter 138, Laws of 1984, to provide an objective revenue forecast for both executive and legislative branches of state government. The Council consists of six members, two appointed by the Governor and two appointed by the Legislature from each caucus of the Senate and House of Representatives. Current members of the Economic and Revenue Forecast Council are listed inside the front cover of this publication. The GFS revenue forecast is updated four times per year: March (February in even-numbered years), June, September, and November. Each state agency engaged in revenue collection is responsible for forecasting the revenue it collects or administers. The staff of the Economic and Revenue Forecast Council is responsible for the preparation of the state economic forecast and the revenue forecast of the Department of Revenue's GFS sources. The staff is also responsible for review and coordination of the revenue forecasts of agencies that collect relatively large amounts of GFS revenue. These are the Department of Licensing, the Lottery Commission, the Office of the Insurance Commissioner, the State Treasurer, the Liquor Control Board and the Office of Financial Management. The Office of Financial Management is responsible for summarizing the forecasts of all other state agencies that collect relatively smaller amounts of GFS revenue.

For each quarterly update, the staff of the Economic and Revenue Forecast Council, under direction of the Executive Director, reviews (and if warranted, modifies) a national economic forecast prepared by Data Resources Incorporated (DRI). A state economic forecast is then prepared using an econometric model that links Washington's economy to the national economy. The DRI national forecast is the primary driver for the state economic forecast. After review by the Governor's Council of Economic Advisors, the economic forecast is used to prepare a baseline forecast of GFS revenue. Agencies and the staff of the Forecast Council use the economic forecast, in conjunction with revenue models, to prepare a GFS revenue forecast. The revenue forecasts for most major General Fund sources are prepared using econometric models which link the tax base of major

General Fund taxes to the national and state economic forecast. A baseline revenue forecast, along with at least two alternative forecasts, is prepared for all GFS sources and presented to the Forecast Council for approval. Once the Council approves the forecast, it becomes the official forecast of GFS revenue. An outline of the forecast process, including a summary of the November baseline forecast for the 1999-01 biennium (cash basis) is shown in Table 3.2.

November 2000 Forecast Assumptions

1. The November 2000 GFS forecast is based on current law and administrative practices. The baseline revenue forecast for the 1999-01 and 2001-03 biennia is based on the economic forecast presented in Chapter 1 of this publication. The outlook for the state's economy and revenue is in part based on a modification of the October 2000 DRI Control Forecast for the U.S.

2. The November forecast includes the impact of two voter-approved initiatives. Initiative 722 rolls back taxes and fee increases enacted since the passage of I-695 and limits property tax increases. The GFS impact of I-722 is estimated to be \$9.5 million in the 1999-01 biennium and \$39.2 million in the 2001-03 biennium. Initiative 728 transfers revenue from the General Fund to a newly created Student Achievement Account. I-728 is estimated to reduce GFS revenue by \$443.1 million in the 2001-03 biennium. Table 3.12 summarizes the impact of these initiatives on General Fund-State revenue.

3. A provision of Initiative 728 changes the disposition of proceeds from the state Lottery. Prior to I-728 proceeds from the state lottery were deposited in the General Fund. Under provisions of Initiative 728 lottery revenue are dedicated to a newly created Student Achievement Account and to school construction. Since, lottery revenue are no longer part of the General Fund, the lottery forecast will no longer be included in this publication.

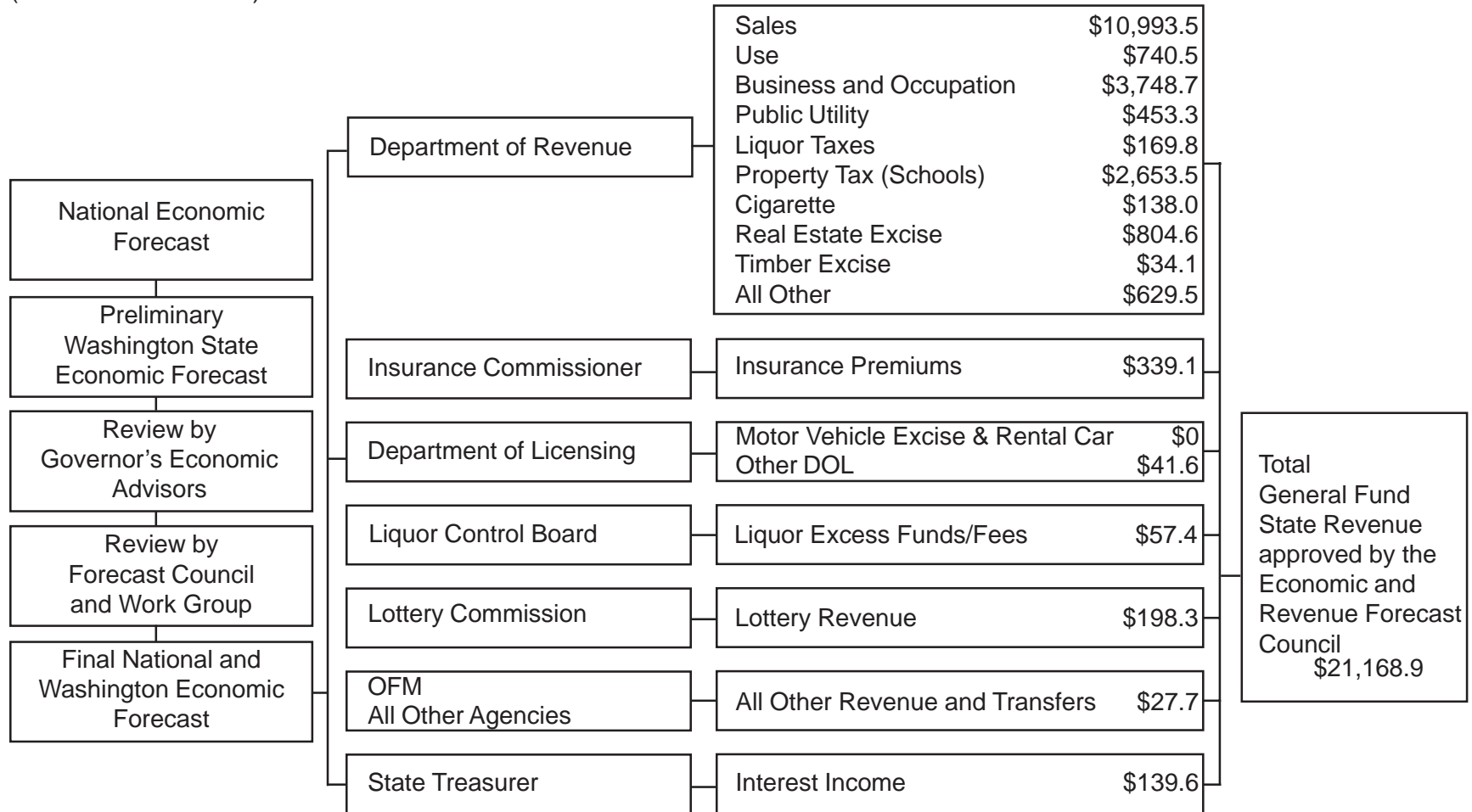
4. There are several legal challenges to various aspects of the state's tax laws or administration, including the legal challenge filed against Initiative 722 in late November. Most of these challenges are in litigation and either have not yet been ruled on by the courts or are on appeal. Any impact on GFS receipts will not be incorporated into the forecast until the issue has been completely resolved.

5. Revenue from higher education tuition and fees was removed from the General Fund in July 1992. Since 1992, revenues from tuition and fees have been placed into the operating fund of each individual college or university. Because of this change, there is a major discontinuity in the time series of GFS revenue beginning with the 1991-93 biennium. Tuition and fees are included in only one year of the 1991-93 biennium's GFS revenue total and are excluded from total GFS revenue after fiscal year 1993.

The forecasts of tuition and fee revenue are made by the individual universities, under the guidance of The Office of Financial Management. From July 1992 through February 2000, the tuition and fee forecast, although no longer part of the GFS forecast, was included separately in Chapter 3 of the Economic and Revenue Forecast publication. Since the Forecast Council is no longer directly involved in the tuition forecast, we have decided not to publish the tuition and fee forecast of the state's universities and colleges. This forecast is available through the Office of Financial Management.

6. There have been several legislative and other non-economic changes affecting actual receipts for the last few biennia as well as the forecast for the 1999-01 biennium. GFS receipts in the 1991-93 biennium include \$179 million due to tax law changes. Revenue collected in the 1993-

Table 3.2
Economic and Revenue Forecast Flow Chart*
 General Fund-State
 1999-01 Biennium
 (Amounts in millions)



* Cash Basis

95 biennium were a net \$330 million higher than they otherwise would have been as a result of action by the Legislature. Receipts for the 1995-97 biennium were reduced \$671 million due to legislation. Receipts for the 1997-99 biennium were reduced by \$549 million due to legislation enacted during the 1996, 1997 and 1998 legislative sessions. As of November 2000, new legislation and other non-economic changes (e.g. referendum 49 and I-722) have reduced GFS revenue for the 1999-01 biennium by \$578 million.

Recent Collection Experience

GFS collections were \$47.9 million, 2.9 percent above expectations in the two months since the September forecast. This variance overstates the strength of revenue, however, since two-thirds of it is due to much higher than expected lottery transfers. Lottery transfers to the General Fund totaled \$43.1 million in October due to strong sales generated by several record lotto jackpots in the month. The transfer in October was about five times the average monthly transfer over the last couple of years. The lottery windfall aside, GFS collection the last two months were a little better than expected in the September forecast. This is despite slower employment and income growth in the third quarter. Revenue Act taxes (retail sales, business and occupation, use, public utility, and tobacco products taxes), which are the revenue sources most dependent on the strength of the economy, were \$9.2 million above expectations. Other major GFS taxes collected by the Department of Revenue were \$6.8 million higher than expected in the last two months.

Revenue growth continued to decelerate in the third quarter. This was expected. After growing 8.6 percent in the first quarter of 2000 and 6.8 percent in the second quarter, Revenue Act receipts (adjusted for special factors) were up only 3.9 percent in the third quarter. Revenue Act receipts were 4.0 percent above the year-ago level, adjusted for special

Table 3.3
Collection Variance, September 11 - November 10, 2000
Based on the September 2000 Forecast
(Millions of dollars)

<u>Agency/Source</u>	<u>Collection Variance*</u>	<u>Percent of Estimate</u>
Department of Revenue		
Revenue Act ¹	\$9.2	0.6%
Non Revenue Act ²	\$6.8	4.0%
Subtotal	\$16.0	1.0%
Department of Licensing ²	\$0.3	17.6%
Lottery Commission ²	\$31.7	173.6%
 Total**	 \$47.9	 2.9%

¹ Revenue Act taxes consists of retail sales, business and occupation, use, public utility and tobacco products taxes as well as penalty and interest receipts. The variance is based on collections September 11, 2000 through November 10, 2000.

² Variance based on September 2000 and October 2000 collections. Major Non-Revenue Act sources include: state property tax levy, real estate excise tax and estate tax.

* Collection variance: actual tax payments compared to monthly estimates based on the September 2000 forecast.

** Detail may not add to total due to rounding.

factors, in the most recent month (October 11 – November 10 collection period). Collections this period primarily reflect the business activity in September 2000. Growth was less than 4.0 percent in both June and July. Revenue growth is expected to remain weak for the next few quarters as economic growth slows due to the impact of the Federal Reserve Open Market Committee's (FOMC) series of rate hikes.

Preliminary data on excise tax payments for the most recent monthly collection period (October 11 - November 10, primarily reflecting September 2000 business activity) confirms weaker growth. Tax payments from the retail trade sector which, accounts for about half of taxable activity, increased only 4.4 percent in this period. Within retailing, the furniture/household equipment, general merchandise and eating/drinking sectors reported the strongest growth, 8.0 percent. Other sectors, however, including auto dealers were up less than 5 percent and two retailing sectors, food stores and building materials/hardware stores reported year-over-year declines in tax payments. Outside retailing activity was mixed with mid-single digit increases reported by the construction, transportation/communications/utilities and the finance/insurance/real estate sectors. For the first time in several months, no sector reported a double-digit increase.

Other GFS taxes collected by the Department of Revenue were \$6.8 million above the estimate for the two months since the September forecast. Most major taxes are close to expectation with property tax and real estate excise tax payments a little weaker than expected while cigarette, liquor and estate tax payments a little stronger than expected. Most (\$5.9 million) of the \$6.8 million variance since September was due to three relatively minor revenue sources: the leasehold excise tax, unclaimed property transfers, and brokered natural gas payments. In all three cases receipts in October were unusually strong: leasehold excise tax payments were 65 percent above the year-ago level, unclaimed property transfers were more than 300 percent higher than a year-ago and brokered natural gas payments were more than double last year's level. These taxes are very volatile on a monthly basis and some of the \$5.9 million variance due to these taxes may simply be a matter of timing and could be offset by weaker collections in the coming months.

Real estate activity remains weak. Activity subject to the state real estate excise tax was 7.2 percent lower than a year ago in September. Activity had increased 5.1 percent the month before. Taxable real estate activity has now declined three of the last four months and is 1.5 percent below a year-ago for the first nine months of calendar 2000. Weakness in the number of transactions continues to be the source of slower activity with transactions down 9.5 percent for the month and 6.0 percent for the year-to-date. Growth of the value per transaction continues positive but it too has slowed from earlier in the year.

General Fund-State taxes collected by the Department of Licensing (primarily revenue from licenses and fees) were \$0.3 million above the September forecast for the last two months. During the two-month period since the September forecast, Department of Licensing General Fund collections were well below the year-ago level (35.1 percent). Until October, Lottery transfers to the General Fund have been consistently below the forecast for the entire biennium. In October, several weeks of record lotto jackpots generated very strong sales. This resulted in a \$43.1 million transfer to the General Fund. October's transfer was \$33.9 million more than expected for the month and lottery transfers were \$31.7 million more than expected in the two months since the September forecast. For the last two months, Lottery GFS deposits were 168.8 percent above a year ago. Table 3.3 summarizes GFS collection experience since the September forecast.

The General Fund-State Forecast for the 1999-01 and 2001-03 Biennia

The November GFS revenue forecast for the 1999-01 biennium is \$21,168.9 million. This is \$1.5 billion (7.9 percent) higher than receipts in the 1997-99 biennium. GFS revenue increased 11.2 percent in the 1997-99 biennium. Revenue growth in the current biennium is weaker than the 1997-99 biennium for two reasons: weaker economic growth and tax law changes. Statewide, employment is expected to increase 4.4 percent in the 1999-01 biennium, significantly less than the 7.1 percent increase in the 1997-99 biennium. Similarly, personal income growth during the 1999-01 is below that of the 1997-99 biennium. The slower income and employment growth this biennium is in part due to a weak aerospace sector and to slower population growth. Although the economy in the current biennium is expected to grow slower than in the 1997-99 biennium, growth is still expected to be quite strong. Growth this biennium is especially remarkable considering the downturn in Boeing. The other major cause of slower revenue growth in the 1999-01 biennium is tax law changes. Various law changes and reporting differences understate growth for the 1999-01 biennium. For example, the business and occupation tax rate on most services was lowered from 2.5 percent to 1.5 percent in fiscal 1999. Thus, service activity subject to the business and occupation tax is taxed at a lower rate for the entire 1999-01 biennium but was taxed at the 1.5 percent rate in only half of the 1997-99 biennium. Biennial revenue growth also is affected by the passage of Referendum 49, which removes the motor vehicle excise tax from the General fund, reducing GFS revenue for six months of the 1997-99 biennium but for the entire 1999-01 biennium. Adjusting for these and other major sources of discontinuity, the growth rate for the 1999-01 biennium is 11.6 percent. This is, with the exception of last biennium's 14.5 percent adjusted increase, the strongest since the 1989-91 biennium.

The outlook for the 2001-03 biennium assumes modest economic and revenue growth. Although the national economy is expected to continue to expand during the 2001-03 biennium, the economy will grow slower than in the current biennium. Weaker national economic growth will slow Washington's economy and revenue. In addition, the aerospace sector, while not expected to be a drag on economic growth, is not expected to be much of a stimulus in the 2001-03 period either. The forecast of GFS revenue for the 2001-03 biennium is \$22,327.1 million. This is \$1.2 billion, 5.5 percent, above the current forecast for the 1999-01 biennium. The 5.5 percent revenue increase expected for the 2001-03 biennium is weaker than the 7.9 percent currently expected this biennium primarily because GFS revenue in the 2001-03 biennium has been significantly reduced due to the passage of Initiatives 722 and 728. Revenue growth in the 2001-03 biennium after adjusting for the impact of these initiatives is 7.7 percent, still significantly below the 11.4 percent adjusted growth expected in the 1999-01 biennium. Real revenue growth of major excise taxes in the 2001-03 biennium is forecast to be weaker than the growth expected for the 1999-01 biennium but similar to that of the 1993-95 and 1995-97 biennia.

Washington has no personal or corporate income tax. Three taxes: sales and use, business and occupation and the property tax (state school levy), comprise the majority of Washington's total GFS revenue. These three taxes accounted for more than 83 percent of the \$19.6 billion total GFS cash receipts in the 1997-99 biennium. This percentage rises to 85.7 percent of total revenue in the 1999-01 biennium and to 88.0 percent in the 2001-03 biennium. The jump in the 1999-01 biennium is primarily due to the removal of motor vehicle excise tax revenue from the General Fund as a result of Referendum 49. The jump in the 2001-03 biennium is primarily due to reduc-

tions to the state levy due to the impact of Initiative 722 and the re-disposition of lottery proceeds from the General Fund to the Student Achievement Account under provisions of Initiative 728. The state's reliance on sales, business and occupation, and property taxes has increased over time, rising from 80 percent in the 1991-93 biennium and from 75 percent twenty years ago. The retail sales and use tax, the state's largest revenue source generated \$10.3 billion, 52.4 percent of total GFS revenue in the 1997-99 biennium. Sales and use taxes are expected to produce \$11.7 billion, 55.4 percent of total GFS revenue in the 1999-01 biennium and \$12.6 billion, 56.6 percent of the total in the 2001-03 biennium. The business and occupation tax totaled \$3.6 billion in the 1997-99 biennium, 18.4 percent of total GFS revenue. This tax is expected to produce \$3.7 billion, 17.7 percent of the total, for the 1999-01 biennium and \$4.2 billion, 18.6 percent of the total, in the 2001-03 biennium. The property tax totaled \$2.5 billion (12.5 percent of the total) in the 1997-99 biennium. It is forecast to produce \$2.7 billion in the 1999-01 biennium and \$2.8 billion, 12.8 percent of total GFS revenue in the 2001-03 biennium. The property tax numbers reflect the receipts from the state property tax levy before transfers to the Student Achievement Account under provisions of I- 728.

Taxable sales (sales subject to the state 6.5 percent retail sales tax) in the second quarter of 2000 were 6.8 percent above the year-ago level. This was less than both the 8.7 percent increase in the fourth quarter of 1999 and the 10.0 percent year-over-year increase last quarter. Despite the deceleration, the increase in the second quarter was still reasonably strong. Slower growth was expected in light of the Fed's series of interest rate hikes.

Analysis of growth of taxable sales in the second quarter of 2000 shows the retail trade sector, which accounts for about half of all taxable sales, was up 6.6 percent. Although this was a healthy gain, it was the weakest increase in this sector since the fourth quarter of 1998. Retailing was led by a strong 8.8 percent increase reported by the furniture and household equipment sector. Most other two-digit retail sectors reported second quarter increases a little less than this, in the mid-single digits. Building materials and hardware stores was the exception. This sector reported only a 3.0 percent increase. Overall, tax-

Table 3.4
General Fund-State Collections*
(Millions of dollars) Cash Basis

<u>Biennium</u>	<u>Current Dollars</u>	<u>Percent Change</u>	<u>1992 Chained Dollars</u>	<u>Percent Change</u>
1961-63	\$817.1		\$3,362.6	
1963-65	866.2	6.0%	3,478.7	3.5%
1965-67	1,128.6	30.3%	4,357.5	25.3%
1967-69	1,440.5	27.6%	5,200.4	19.3%
1969-71	1,732.7	20.3%	6,188.5	19.0%
1971-73	1,922.1	10.9%	6,345.8	2.5%
1973-75	2,372.4	23.4%	6,772.5	6.7%
1975-77	3,395.0	43.1%	8,445.1	24.7%
1977-79	4,490.0	32.3%	9,785.8	15.9%
1979-81	5,356.4	19.3%	9,716.5	-0.7%
1981-83	6,801.4	27.0%	10,729.6	10.4%
1983-85	8,202.4	20.6%	11,952.7	11.4%
1985-87	9,574.6	16.7%	13,127.7	9.8%
1987-89	10,934.1	14.2%	13,919.4	6.0%
1989-91	13,309.0	21.7%	15,561.1	11.8%
1991-93	14,862.2	11.7%	16,237.3	4.3%
1993-95	16,564.6	11.5%	17,296.8	6.5%
1995-97	17,637.7	6.5%	17,638.8	2.0%
1997-99	19,620.1	11.2%	19,020.5	7.8%
1999-01 ^F	21,168.9	7.9%	19,717.7	3.7%
2001-03 ^F	22,327.1	5.5%	19,871.4	0.8%

^F November 2000 Forecast

* Total General Fund-State collections-cash receipts basis. Includes rate, base and administrative changes. Modified cash basis: 1985-87 and prior; pure cash basis: 1987-89 and after. Changes among biennia may not be comparable because the collection totals shown here include the impact of rate, base and administrative changes.

Sources: Dept. of Revenue and the Office of Financial Management.
The Office of the Forecast Council's November 2000 Forecast.

Chart 3.1
General Fund-State Revenue

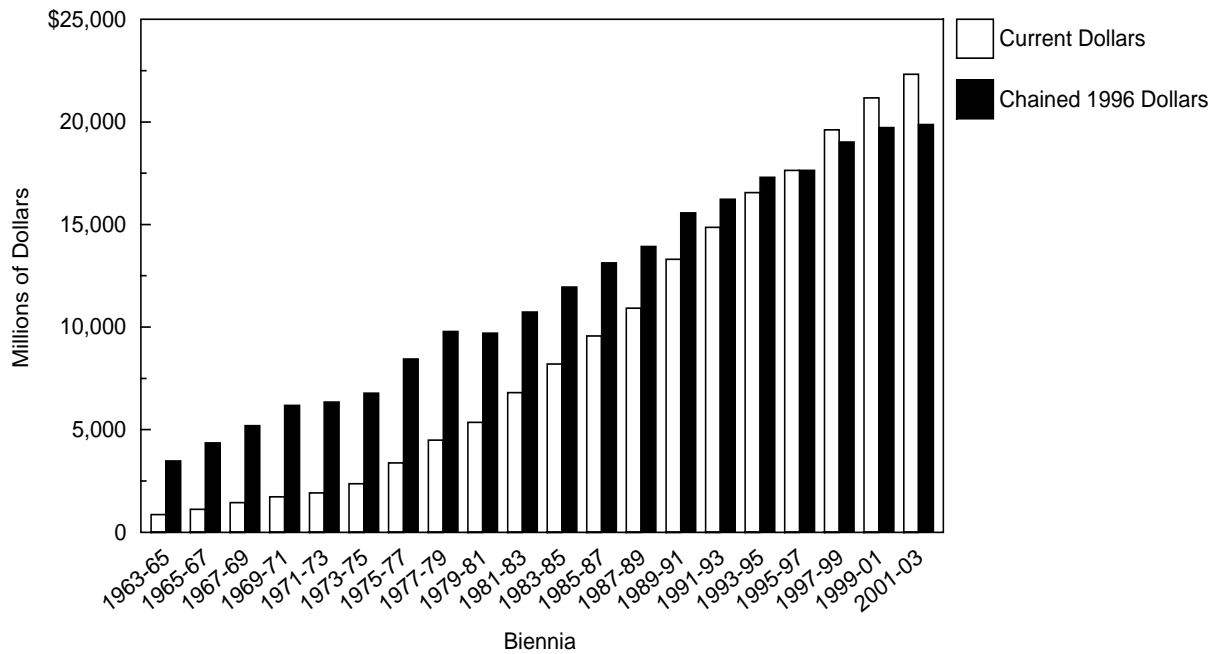


Chart 3.2
General Fund-State Revenue - Percent Change

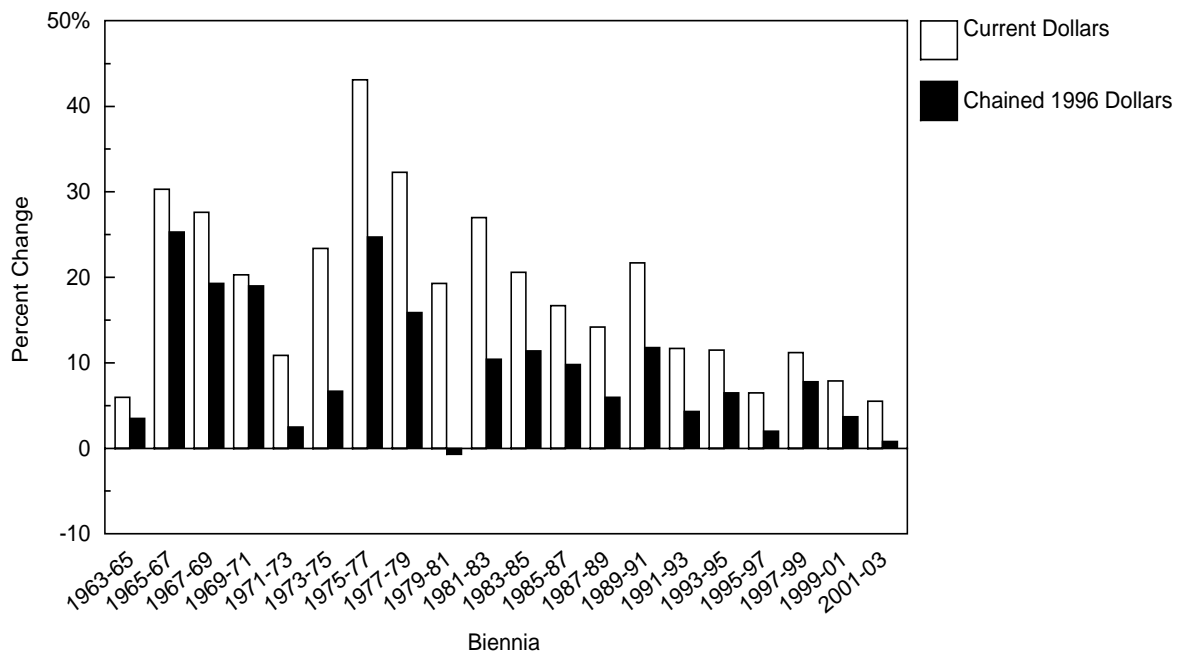


Chart 3.3
Composition of General Fund-State Revenue

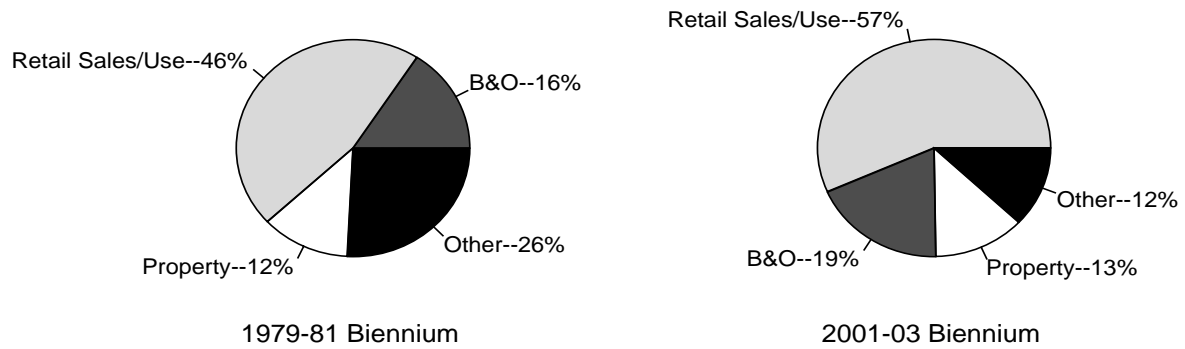
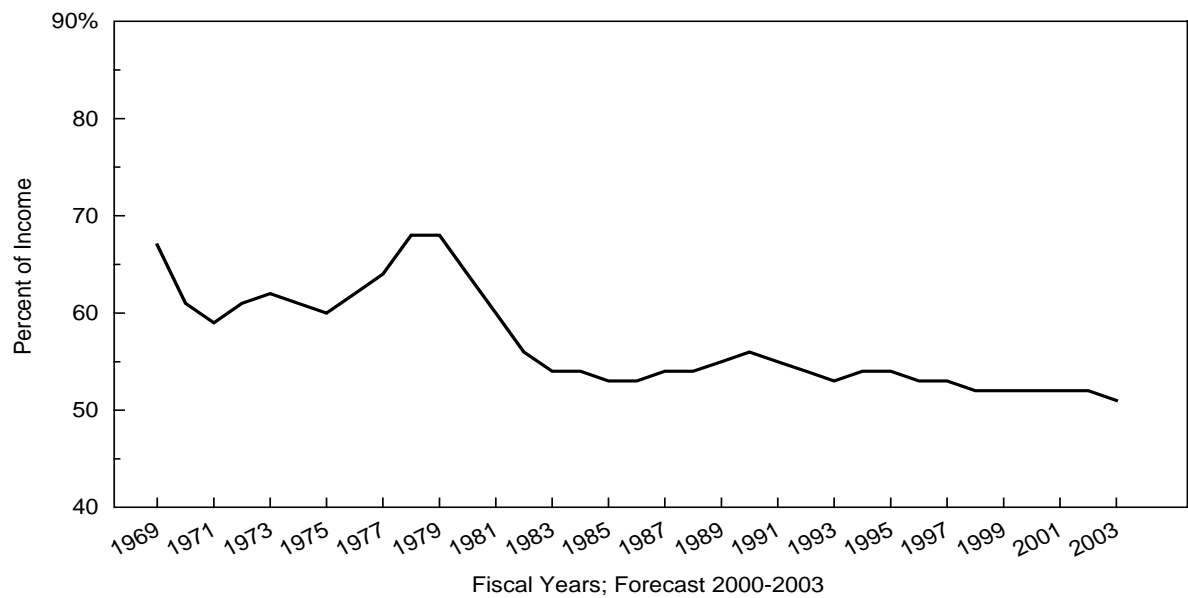


Chart 3.4
Taxable Sales* as a Percent of Personal Income



* Adjusted Base

able sales reported by non-retailing sectors increased 7.1 percent. Activity reported by non-retailing sectors varied widely among sectors. Taxable sales reported by the contract construction sector continued to be very strong, up 14.6 percent. This sector is a relatively large and important sector accounting for 14.8 percent of the sales tax base in the second quarter of 2000. It has been very strong, with double-digit increases in thirteen of the last fourteen quarters. Calendar 1999 growth for this sector was 13.9 percent, the third consecutive year of double digit increases and the strongest since 1990. Taxable sales reported by the service sector slowed a bit, increasing 4.6 percent, well below the 8.3 percent increase last quarter. Taxable sales reported by the transportation, utilities and communications sector were up 11.0 percent, and the manufacturing sector reported a 7.4 percent increase. On the other hand, taxable sales reported by the wholesaling sector increased only 0.1 percent after growing 7.8 percent last quarter.

Taxable sales in the central Puget Sound area remained strong in the second quarter, with the gap between the state's three largest counties (King, Snohomish and Pierce) and the rest of the state widening. During this period the retail sales tax base grew 9.0 percent in the state's three largest counties compared to 3.3 percent in the rest of the state. Taxable sales increased 9.9 percent in King County, 7.3 percent in Snohomish County and 6.9 percent in Pierce County. Taxable sales activity in Spokane County increased 5.2 percent. Eastern Washington counties as a whole reported taxable sales growth of 4.9 percent in the second quarter compared to 7.6 percent west of the Cascades. Taxable sales were up 7.7 percent in metropolitan counties in the first quarter while increasing 1.1 percent in non-metropolitan counties.

At the national level, retail sales were up 7.6 percent in the second quarter of 2000 on a year-over-year basis, after increasing 12.2 percent in the first quarter. Preliminary data indicate that nationally, retail sales growth in the third quarter of 2000 was a little weaker, up 7.2 percent. Washington's taxable sales growth in the third quarter is also expected to slow in the third quarter.

Table 3.5

Taxable Retail Sales*

November 2000 Forecast

(Millions of Dollars)

Fiscal Year	Amount	Percent Change
1974	11,877	
1975	13,380	12.7%
1976	15,493	15.8%
1977	17,626	13.8%
1978	21,121	19.8%
1979	22,309	5.6%
1980	24,057	7.8%
1981	25,197	4.7%
1982	26,097	3.6%
1983	29,368	12.5%
1984	29,156	-0.7%
1985	30,687	5.3%
1986	32,158	4.8%
1987	34,647	7.7%
1988	37,452	8.1%
1989	41,429	10.6%
1990	47,183	13.9%
1991	49,812	5.6%
1992	53,189	6.8%
1993	55,319	4.0%
1994	59,009	6.7%
1995	61,927	4.9%
1996	62,817	1.4%
1997	66,748	6.3%
1998	72,059	8.0%
1999	77,197	7.1%
2000	83,385	8.0%
2001 ^F	86,728	4.0%
2002 ^F	90,470	4.3%
2003 ^F	94,456	4.4%

^F Forecast.

* Actual Base. Includes statutory and administrative changes to the tax base. Historical fiscal year data are from quarterly taxable sales reported by taxpayers on the state's Combined Excise tax return. Major base changes include: exemption of off-premises food, beginning 1978:3 (fiscal 1979); extension of the sales tax base to off premises food (1982:2 to 1983:2); food again exempt 1983:3 (fiscal 1984). Base extended to some personal services effective July 1994. Exemption of manufacturing equipment effective fiscal 1996. Additional sales tax exemptions (including an exemption for R&D equipment) effective fiscal 1997. Changes in reporting, effective 1997. Additional exemptions effective fiscal 1999, 2000 and 2001.

Although taxable sales growth slowed to 6.8 percent in the second quarter, growth for the all of fiscal 2000 was still a very healthy 8.0 percent. This equals the growth in fiscal 1998 and is the strongest growth since the 13.9 percent increase in fiscal 1990. The November forecast expects taxable sales growth to slow to 4.0 percent in fiscal 2001 in response to weaker national and state economic growth. Growth in fiscal 2000 was fueled by strong employment and income gains and, until recently, a strong housing market. Slower growth in fiscal 2001 is due to expectations of slower income and employment growth. In addition, the savings rate continues to fall, again hitting an all-time low in October. Personal saving is expected to slowly rebound throughout the forecast horizon, which will dampen consumption. Similarly, the economic forecast assumes that consumer confidence has peaked. Consumer confidence is expected to gradually decline in fiscal 2001 and into the 2001-03 biennium. This should also slow spending. Taxable sales growth is expected to improve in the 2001-03 biennium from the fiscal 2001 level, but will fall short of the strong gains experienced in fiscal, 1998, 1999 and 2000. Taxable sales are expected to grow 4.3 percent in fiscal year 2002 and 4.4 percent in 2003. Adjusted taxable sales grew about the same as personal income in fiscal 1999 but a little less than income in fiscal year 2000. Taxable sales growth is expected to exceed income growth in fiscal 2001 but grow a little less than income growth in both fiscal 2002 and 2003 as employment growth and confidence weakens.

Forecast Change for the 1999-01 and the 2001-03 Biennia

The November 2000 GFS revenue forecast is \$400.0 million lower than in September. The principal change to the forecast is a \$491.8 million revenue reduction due to the passage of Initiatives 722 and 728 in the November 7th General Election. There was very little change to the economic outlook since the September forecast. As a result, the change in the GFS revenue forecast due to economic factors is a relatively small, \$91.8 million increase. The forecast for the 1999-01 biennium is \$39.1 million higher than was expected in September while the forecast for the 2001-03 biennium is \$439.1 million lower. The change to the revenue outlook for the 1999-01 biennium consists of a \$48.6 million increase due to better economic conditions, including stronger than expected collections, and a \$9.5 million reduction due to the passage of Initiative 722. The change to the GFS revenue forecast for the 2001-03 biennium consisted of a \$43.2 million increase due to a better economy and a \$482.3 million reduction due to passage of Initiatives 722 and 728.

Table 3.6 summarizes the changes to the November 2000 cash forecast for the 1999-01 and 2001-03 biennia by type of change. Tables 3.7 and 3.8 summarize revisions to the GFS revenue forecast for the 1999-01 biennium by agency and source of revenue. Table 3.7 is on a cash basis and Table 3.8 is on a GAAP basis. Table 3.9 and 3.10 summarize the revisions to the GFS revenue forecast for the 2001-03 biennium by agency and source. Table 3.9 is on a cash basis and Table 3.10 is on a GAAP basis. Table 3.11 provides a fiscal year forecast by major revenue source (cash basis). Table 3.12 provides a summary of the impact of the initiatives on the GFS revenue forecast. Below is a brief summary of the changes to the GFS forecast due to the initiative and by agency.

Impact of Initiatives 722 and 728

Initiative 722 rolls back any tax or fee increase adopted between July 2, 1999 and December 31, 1999 and requires them to be refunded to taxpayers. It also limits the increase to the regular property tax levy in the aggregate to the lesser of two percent or the rate of inflation. The taxes and fee rollback provision of I-722 is estimated to reduce GFS revenue by \$3.9 million in the current

Table 3.6

Summary of Changes to the General Fund-State Forecast

November 2000 Cash Forecast

(Millions of dollars)

1999-2001 Biennium		November 2000 Forecast Change
<i>Collection Experience—Adjusted</i>		\$47.9
Department of Revenue		
Major Excise ¹	9.2	
Other ²	6.8	
Department of Licensing ²	0.3	
Lottery Commission ²	31.7	
<i>Non Economic change³</i>		(9.5)
Initiative 722-rollback of fee increases	(3.9)	
Initiative 722-property tax limitation	(5.6)	
<i>Forecast Change for Remainder of the 1999-01 Biennium</i>		0.7
Department of Revenue	19.9	
Department of Licensing	(1.2)	
Lottery	(26.7)	
All other	8.7	
<u>2001-2003 Biennium</u>		
<i>Non Economic changes³</i>		(482.3)
Initiative 722	(39.2)	
Initiative 728	(443.1)	
<i>Forecast Change for the 2001-03 Biennium</i>		
Department of Revenue	31.5	43.2
Department of Licensing	(1.8)	
Lottery	0.0	
All other	13.5	
<u>Total Change: 1999-01 & 2001-03 Biennia*</u>		(\$400.0)

¹ Variance based on collections from September 11- November 10, 2000; retail sales, B&O, use & public utility taxes.² Variance based on collections from September through October 2000.³ Impact of initiatives 722 and 728, approved in the November 7, 2000 General Election.

* Detail may not add due to rounding

biennium and \$4.8 million in the 2001-03 biennium. The property tax limitation provision of the I-722 reduces the receipts from the state property tax levy by \$5.6 million in the 1999-01 biennium and \$34.4 million next biennium. Note these impacts are just the impact on State General Fund revenue. Initiative 722 reduces local government revenue as well.

Initiative 728 directs a portion of the state property tax levy to a new Student Achievement Fund to be used for new allocations to school districts for class size reduction, extended learning opportunities and professional development. The Initiative also dedicates state lottery revenue, which are currently deposited in the state General Fund to the new Student Achievement Fund and to school construction. The provision of the initiative that transfers a portion of the state property tax levy from the General Fund to the Student Achievement Fund reduces GFS revenue by \$238.3 million in the 2001-03 biennium. This estimate is based on an OFM analysis of the initiative and is subject to continuing review. The portion of I-728 that directs lottery revenue to the Student Achievement Fund and the School Construction Account reduces GFS revenue \$204.3 million next biennium. A third provision of I-728 changes way the funds in the Emergency Reserve Fund are distributed. Although this provision has no impact on the General Fund-State revenue forecast, it indirectly affects the General Fund-State balance sheet and reserves.

Department of Revenue

The Department of Revenue collects and administers the majority of GFS revenue, accounting for more than 96 percent of the total GFS revenue in the 1999-01 biennium. The forecast of GFS revenue sources administered and collected by the Department of Revenue is \$27.3 million higher in November. The Department of Revenue's November 2000 forecast of GFS cash collections for the 1999-01 biennium was up \$30.2 million and the forecast for the 2001-03 biennium was down \$2.9 million. The change is due to a combination of a stronger than expected collections since the September forecast, a little better economic outlook than in September and the impact of Initiative 722.

The \$30.2 million increase to the revenue forecast for the 1999-01 biennium was due to a \$35.9 million increase due to economic factors, including \$16 million due to stronger than expected collections in the two months since the September forecast. The passage of Initiative 722, however, reduced the forecast for the current biennium by \$5.6 million. Initiative 722 in addition to rolling back tax and fee increases, limits the increase in the property tax levy (including the state portion of the levy) to the lesser of 2.0 percent or the rate of inflation as measured by the U.S. implicit price deflator. This reduces the 2000 state levy for taxes due in 2001. The impact of I-722 in the 2001-03 biennium is much larger. It lowers the Department of Revenue forecast for the 2001-03 by \$34.4 million. This more than offsets the \$31.5 million increase due to economic factors.

Major changes to the November 2000 forecast for the 1999-01 biennium were a \$15.6 million increase to the retail sales tax forecast, a \$6.6 million reduction to the property tax (state levy) forecast, a \$6.3 million increase to business and occupation tax forecast and an \$7.5 million increase to the penalty and interest forecast. Other changes included a \$5.5 million reduction to the use tax forecast and a \$5.4 million increase to the real estate excise tax forecast. These changes reflect a combination of collection experience and an improved economic outlook with the exception of the property tax forecast. All but about a million the \$6.6 million reduction to the property tax forecast for the 1999-01 biennium reflects the impact of Initiative 722, the remainder reflects other factors, primarily collection experience.

Major changes to the forecast for the 2001-03 biennium for Department of Revenue sources include: a \$30.9 million reduction to the property tax (state levy) forecast, an \$18.1 million increase to the retail sales tax forecast, a \$4.7 million increase to the business and occupation tax forecast, a \$3.5 million increase to the penalty and interest forecast and a \$3.3 million increase to the forecast for brokered natural gas. With the exception of the reduction to the property tax forecast, the changes to the Department of Revenue forecast for the 2001-03 biennium primarily reflect a higher base and a little stronger income growth than assumed in September. The property tax reduction again reflects the impact of Initiative 722. The restricting the increase in the state levy to the lesser of 2.0 percent or the rate of inflation reduces collections from the state property tax levy by \$34.4 million for the 2001-03 biennium. This reduction is, however, partially offset by a \$3.6 million increase in the state levy forecast due to other factors. The forecast of the state property tax levy reported by the Department of Revenue does not include the impact of the provision of I-728 that transfers some property tax receipts from the General Fund to the Student Achievement Account. These transfers are included in the OFM other agency forecast as a treasure's transfer.

Department of Licensing

The majority of GFS revenue collected by the Department of Licensing is from a variety of professional licenses as well as boat excise tax and registration. Prior to its elimination, the motor vehicle excise tax was the primary GFS revenue source reported by the department.

The forecast of the Department of Licensing GFS sources for the current biennium has been reduced \$0.9 million and the forecast for the 2001-03 biennium has been reduced \$1.8 million. The change to the current biennium's forecast mainly reflects lower expectations for collections of boat excise tax and registration fees. Most of the changes to the forecast for the next biennium reflect lowered estimates of firearm dealer licenses, boat excise tax, and boat registration fees. The current forecast for the 1999-01 biennium is \$41.6 million and the forecast for the 2001-2003 biennium is \$39.5 million.

Office of Financial Management: Other Agencies

The Office of Financial Management (OFM) is responsible for preparing General Fund-State revenue and transfer forecasts for all agencies excluding the Department of Revenue, the Department of Licensing, the Liquor Control Board, the Insurance Commissioner, the State Treasurer, and the Lottery Commission.

The GFS revenues collected by the agencies that are forecast by the OFM are impacted by both Initiative 722 and Initiative 728. The current biennium's forecast has been revised downward by \$3.1 million to reflect the fee rollbacks and refunds mandated by I-722. The 2001-2003 biennium's forecast reflects not only the I-722 fee changes, but also the transfer of \$238.8 million to the Student Achievement Account mandated by I-728, for a total forecast reduction of \$244.3 million. As this amount of funds is greater than the agency revenue normally forecast by the OFM, the GFS revenue forecast for the next biennium is a net negative transfer of \$223.7 million.

Table 3.7

Comparison of the General Fund-State Forecast by Agency**1999-01 Biennium; Cash Basis**

(Millions of dollars)

Forecast by Agency	September 2000 Forecast¹	Non- Economic Changes²	Forecast Revision	November 2000 Forecast	Total Change
<i>Department of Revenue</i>					
Retail Sales	\$10,977.9	\$0.0	\$15.6	\$10,993.5	\$15.6
Business & Occupation Use	3,742.4	0.0	6.3	3,748.7	6.3
Public Utility	746.1	0.0	(5.5)	740.5	(5.5)
Liquor Sales/Liter	450.6	0.0	2.6	453.3	2.6
Cigarette	168.9	0.0	0.9	169.8	0.9
Property (State Levy)	138.3	0.0	(0.4)	137.9	(0.4)
Real Estate Excise	2,660.0	(5.6)	(0.9)	2,653.5	(6.6)
Timber Excise	799.3	0.0	5.4	804.6	5.4
Other	34.1	0.0	0.0	34.1	0.0
Subtotal	617.6	0.0	11.9	629.5	11.9
	20,335.2	(5.6)	35.9	20,365.4	30.2
<i>Department of Licensing</i>					
Boat excise, licenses & fees	42.5	0.0	(1.0)	41.6	(1.0)
<i>Insurance Commissioner</i>					
Insurance Premiums	339.1	0.0	0.0	339.1	0.0
<i>Liquor Control Board</i>					
Liquor Profits and Fees	53.0	0.0	1.1	54.1	1.1
Beer & Wine Surtax	3.2	0.0	0.0	3.3	0.0
<i>Lottery Commission</i>					
Lottery Revenue	193.3	0.0	5.0	198.3	5.0
<i>State Treasurer</i>					
Interest Earnings	132.7	0.0	6.8	139.6	6.8
<i>Office of Financial Management</i>					
Other	30.8	(3.9)	0.8	27.7	(3.1)
<u>Total General Fund-State *</u>	\$21,129.9	(\$9.5)	\$48.6	\$21,168.9	\$39.1

1 The General Fund State Revenue Forecast adopted by the Economic and Revenue Forecast Council in September 2000.

2 Impact of Initiative 722.

* Detail may not add to totals due to rounding.

Table 3.8
Comparison of the General Fund-State Forecast by Agency
1999-2001 Biennium; GAAP Basis
(Millions of dollars)

Forecast by Agency	September 2000 Forecast¹	Non- Economic Changes²	Forecast Revision	November 2000 Forecast	Total Change
<i>Department of Revenue</i>					
Retail Sales	\$10,992.8	\$0.0	\$15.5	\$11,008.2	\$15.5
Business & Occupation Use	3,759.3	0.0	5.1	3,764.4	5.1
Public Utility	746.5	0.0	(6.1)	740.4	(6.1)
Liquor Sales/Liter	450.0	0.0	2.6	452.6	2.6
Cigarette	169.7	0.0	0.9	170.6	0.9
Property (State Levy)	139.6	0.0	(0.4)	139.2	(0.4)
Real Estate Excise	2,663.9	(5.6)	(1.1)	2,657.2	(6.7)
Timber Excise	800.8	0.0	5.3	806.1	5.3
Other	34.1	0.0	0.0	34.1	0.0
Subtotal	609.0	0.0	11.2	620.1	11.2
	20,365.8	(5.6)	32.9	20,393.1	27.3
<i>Department of Licensing</i>					
Boat excise, licenses & fees	42.4	0.0	(0.9)	41.5	(0.9)
<i>Insurance Commissioner</i>					
Insurance Premiums	339.3	0.0	0.0	339.3	0.0
<i>Liquor Control Board</i>					
Liquor Profits and Fees	53.0	0.0	1.1	54.1	1.1
Beer & Wine Surtax	3.2	0.0	0.0	3.3	0.0
<i>Lottery Commission</i>					
Lottery Revenue	191.1	0.0	5.0	196.1	5.0
<i>State Treasurer</i>					
Interest Earnings	131.9	0.0	7.5	139.4	7.5
<i>Office of Financial Management</i>					
Other	32.2	(3.9)	(1.3)	27.0	(5.2)
<u>Total General Fund-State *</u>	<u>\$21,158.9</u>	<u>(\$9.5)</u>	<u>\$44.3</u>	<u>\$21,193.7</u>	<u>\$34.8</u>

1 The General Fund State Revenue Forecast adopted by the Economic and Revenue Forecast Council in September 2000.

2 Impact of Initiative 722.

* Detail may not add to totals due to rounding

Table 3.9
Comparison of the General Fund-State Forecast by Agency
2001-2003 Biennium; Cash Basis
(Millions of Dollars)

Forecast by Agency	September 2000 Forecast¹	Non- Economic Changes²	Forecast Revision	November 2000 Forecast	Total Change
<i>Department of Revenue</i>					
Retail Sales	\$11,874.8	\$0.0	\$18.1	\$11,893.0	\$18.1
Business & Occupation	4,152.6	0.0	4.7	4,157.4	4.7
Use	750.8	0.0	(3.2)	747.6	(3.2)
Public Utility	468.1	0.0	(1.9)	466.2	(1.9)
Liquor Sales/Liter	175.0	0.0	1.8	176.8	1.8
Cigarette	129.2	0.0	0.6	129.9	0.6
Property (State Levy)	2,878.0	(34.4)	3.6	2,847.2	(30.9)
Real Estate Excise	893.5	0.0	(2.4)	891.1	(2.4)
Timber Excise	21.2	0.0	0.0	21.2	0.0
Other	643.1	0.0	10.1	653.3	10.1
Subtotal	21,986.5	(34.4)	31.5	21,983.6	(2.9)
<i>Department of Licensing</i>					
Boat excise, licenses & fees	41.3	0.0	(1.8)	39.5	(1.8)
<i>Insurance Commissioner</i>					
Insurance Premiums	342.3	0.0	0.0	342.3	0.0
<i>Liquor Control Board</i>					
Liquor Profits and Fees	60.6	0.0	2.4	63.1	2.4
Beer & Wine Surtax	3.3	0.0	0.1	3.3	0.1
<i>Lottery Commission</i>					
Lottery Revenue	204.3	(204.3)	0.0	0.0	(204.3)
<i>State Treasurer</i>					
Interest Earnings	107.3	0.0	11.7	119.1	11.7
<i>Office of Financial Management</i>					
Other	20.6	(243.5)	(0.8)	(223.7)	(244.3)
<u>Total General Fund-State *</u>	\$22,766.2	(\$482.3)	\$43.2	\$22,327.1	(\$439.1)

1 Forecast for the 2001-03 biennium adopted September 2000.

2 Impact of initiatives 722 and 728. The estimate of Initiative 728 is based on OFM analysis, subject to continuing review.

* Detail may not add to totals due to rounding.

Table 3.10

Comparison of the General Fund-State Forecast by Agency**2001-2003 Biennium; GAAP Basis**

(Millions of dollars)

Forecast by Agency	September 2000 Forecast¹	Non- Economic Changes²	Forecast Revision	November 2000 Forecast	Total Change
<i>Department of Revenue</i>					
Retail Sales	\$11,922.7	\$0.0	\$18.0	\$11,940.7	\$18.0
Business & Occupation Use	4,171.7	0.0	4.6	4,176.2	4.6
Public Utility	752.4	0.0	(3.2)	749.2	(3.2)
Liquor Sales/Liter	470.1	0.0	(2.0)	468.2	(2.0)
Cigarette	175.0	0.0	1.7	176.8	1.7
Property (State Levy)	129.4	0.0	0.6	130.0	0.6
Real Estate Excise	2,880.1	(34.4)	3.4	2,849.0	(31.1)
Timber Excise	898.1	0.0	(2.7)	895.4	(2.7)
Other	21.2	0.0	0.0	21.2	0.0
Subtotal	644.2	0.0	10.1	654.3	10.1
	22,064.9	(34.4)	30.5	22,061.0	(3.9)
<i>Department of Licensing</i>					
Boat excise, licenses & fees	42.1	0.0	(1.5)	40.6	(1.5)
<i>Insurance Commissioner</i>					
Insurance Premiums	342.3	0.0	0.0	342.3	0.0
<i>Liquor Control Board</i>					
Liquor Profits and Fees	60.6	0.0	2.4	63.1	2.4
Beer & Wine Surtax	3.3	0.0	0.1	3.3	0.1
<i>Lottery Commission</i>					
Lottery Revenue	204.3	(204.3)	0.0	0.0	(204.3)
<i>State Treasurer</i>					
Interest Earnings	106.9	0.0	11.7	118.7	11.7
<i>Office of Financial Management</i>					
Other	22.0	(243.5)	(0.8)	(222.3)	(244.3)
<u>Total General Fund-State *</u>	\$22,846.5	(\$482.3)	\$42.5	\$22,406.7	(\$439.8)

1 Forecast for the 2001-03 biennium adopted September 2000.

2 Impact of Initiatives 722 and 728. The estimate of Initiative 728 is based on OFM analysis, subject to continuing review.

* Detail may not add to totals due to rounding.

Table 3.11

**November 2000 General Fund-State Forecast
1999-01 & 2001-03 Biennia; Cash Basis**

(Millions of dollars)

Forecast by Source	Fiscal 1999^A	Fiscal 2000^P	Fiscal 2001	1999-01 Biennium	Fiscal 2002	Fiscal 2003	2001-2003 Biennium
State Taxes							
Retail sales	\$4,947.5	\$5,400.4	\$5,593.1	\$10,993.5	\$5,821.0	\$6,072.0	\$11,893.0
Business & occupation	1,786.8	1,811.3	1,937.4	3,748.7	2,027.7	2,129.7	4,157.4
Use	335.8	379.7	360.8	740.5	362.7	384.9	747.6
Public Utility	212.6	236.2	217.1	453.3	227.9	238.2	466.2
Liquor sales/liter	79.6	83.2	86.6	169.8	87.8	89.0	176.8
Beer & wine surtax	1.6	1.6	1.6	3.3	1.7	1.7	3.3
Cigarette	71.1	69.7	68.2	137.9	65.7	64.2	129.9
Tobacco products	14.6	16.4	18.0	34.4	17.9	18.4	36.3
Property (state school levy)	1,248.6	1,302.0	1,351.4	2,653.5	1,399.1	1,448.1	2,847.2
Public utility district	26.9	29.1	30.2	59.3	31.9	33.9	65.8
Real estate excise	394.6	401.1	403.5	804.6	433.0	458.2	891.1
Timber excise	18.8	20.2	13.9	34.1	11.0	10.2	21.2
Estate/inheritance	69.6	82.7	91.3	174.0	96.1	101.1	197.2
Motor Veh. Exc. & Rental Car**	135.3	0.0	(0.2)	(0.1)	0.0	0.0	0.0
Boat excise	10.2	11.2	10.6	21.8	11.2	11.5	22.8
Insurance premiums	158.3	174.6	164.4	339.1	168.8	173.5	342.3
Other	138.4	136.0	123.6	259.6	120.6	125.1	245.8
Total Taxes	9,650.3	10,155.5	10,471.7	20,627.2	10,884.1	11,359.7	22,243.8
State Non-Tax Sources							
Licenses, permits, fees	76.5	85.0	76.4	161.4	77.4	79.2	156.5
Liquor profits & fees	24.0	25.5	28.5	54.1	30.9	32.2	63.1
Earnings on investments	73.0	71.2	68.3	139.6	62.6	56.5	119.1
Lottery transfers	107.5	93.3	105.0	198.3	0.0	0.0	0.0
Other revenue & transfers	47.9	2.5	(14.2)	(11.6)	(131.6)	(123.8)	(255.3)
Total Non-Tax	328.9	277.6	264.1	541.7	39.2	44.1	83.3
Total General Fund-State *	\$9,979.2	\$10,433.1	\$10,735.8	\$21,168.9	\$10,923.4	\$11,403.7	\$22,327.1

A Actual

P Preliminary fiscal 2000.

* Detail may not add to totals due to rounding.

** Includes General Fund-State share of the rental car tax. Referendum 49 removes the MVET and the rental car tax from the General Fund effective July 1999.

Lottery Commission

The Lottery Commission prepares a quarterly forecast of transfers to the General Fund based on the unallocated portion of collections from lottery ticket sales. Due to an increase in ticket sales from October's record jackpot, the November 2000 General Fund transfer forecast for the current biennium has been revised upward \$5 million, for a total of \$198.3 million in transfers to the General Fund. Due to the impact of Initiative 728, however, lottery revenue collected after the end of the current biennium will be transferred directly to the Student Achievement Fund. This results in a forecast reduction of GFS revenue for the next biennium of \$204.3 million, which was the Lottery Commission revenue forecast for that period.

State Treasurer

The forecast and actual experience of the Office of the State Treasurer is based primarily on rate conditions and average daily balances for the funds within the Treasurer's control. The November General Fund-State forecast for the current biennium was revised upward \$6.8 million and the forecast for the 2001-03 biennium was increased \$11.7 million. The changes are due primarily to a higher current and expected average balance in treasury funds other than the general fund.

Insurance Commissioner

The forecast for the Office of the Insurance Commissioner is based on projections for premium volume of insurance companies in the State of Washington. Both fire and total insurance premiums are forecast, and expectations are based on both rate increases and the growth of premium volume. Both the fire and total insurance premium forecast for both the 1999-01 and 2001-03 biennia are unchanged from the September 2000 forecast.

Liquor Control Board

The Liquor Control Board forecasts revenue from both profits and fees from state-run liquor stores and funds from surtaxes on beer and wine. The forecast for the current biennium was increased \$1.1 million and the forecast for the 2001-03 biennium was increased \$2.4 million. These increases were due to greater actual and expected profits and fees from state-run liquor stores.

Track Record for the 1999-01 Biennium

The November 2000 GFS cash forecast for the 1999-01 biennium is \$21,168.9 million. This is \$39.1 million more than the September 2000 forecast. The November 2000 forecast is only \$266 million, 1.3 percent higher than the February 1998 forecast, the initial forecast for the 1999-01 biennium. The total change to the 1999-01 forecast over roughly the last two and a half years is relatively small only because tax law changes (reductions) have offset additions to the forecast due to an improving economy. Excluding tax law changes, the September 2000 forecast for the 1999-01 biennium is \$844 million (4.0 percent) above the February 1998 forecast. The November 2000 forecast is the eleventh quarterly update to the outlook for the 1999-01 biennium since the initial forecast in February 1998. There were two reductions to the forecast for the 1999-01 biennium and nine increases including the November 2000 revision. Table 3.13 summarizes the quarterly updates to the GFS forecast for the 1999-01 biennium.

Track Record for the 2001-03 Biennium

The November 2000 GFS cash receipts forecast for the 2001-03 biennium is \$22,327.1 million. This is \$439.1 million less than the September 2000 forecast. The November forecast is \$207 million below the February 2000 forecast, the initial forecast for the biennium. However, most of this reflects non-economic changes. Excluding the impact of non-economic factors, the November forecast is \$43 million higher than last quarter and \$274 million (1.2 percent) higher than the February 2000 forecast. Table 3.14 summarizes the changes to the GFS forecast for the 2001-03 biennium since February 2000.

The Relationship Between the Cash and GAAP General Fund-State Revenue Forecasts

Legislation enacted in 1987 requires that the state's biennial budget be in conformance with Generally Accepted Accounting Principles (GAAP) and that the Forecast Council adopt a cash forecast as well as a forecast of revenue on a GAAP basis. There are thus two related but distinct GFS forecasts summarized in this chapter: a cash receipts forecast and a GAAP revenue forecast. The primary difference between the cash and GAAP forecasts is timing of the receipt of revenue. On a GAAP basis, revenues are credited to the biennium in which they are earned even though they may not have been received. The cash forecast, on the other hand, reflects expected cash receipts during a fiscal period. The forecast on a GAAP, or accrual, basis is primarily used for financial reporting. The cash forecast is used for cash flow management, revenue tracking and is the forecast used in the state's budgetary balance sheet, which is the principal tool for assessing the General Fund's current surplus or deficit position. References to the GFS forecast in the text of this chapter refer to the cash forecast unless otherwise noted. Likewise, the revenue tables other than Table 3.8 and Table 3.10 are on a cash basis.

Table 3.15 compares the cash receipts forecast and the GAAP forecast by agency. Actual revenue for the 1995-97 biennium on a GAAP basis was \$17,749.1 million, \$111.4 million more than the actual cash total of \$17,637.7 million. Revenue for the 1997-99 biennium totals \$19,702.9 million on a GAAP basis, \$82.8 million higher than the \$19,620.1 million cash receipts total. The GAAP forecast for the 1999-01 biennium totals \$21,193.7 million, \$24.8 million higher than the \$21,168.9 million cash forecast for the biennium. The GAAP forecast for the 2001-03 biennium totals \$22,406.7 million, \$79.6 million more than the \$22,327.1 million cash forecast.

Table 3.16 presents the budgetary balance sheet for the 1999-01 biennium. The GFS total ending balance is now projected to be \$779.8 million. This is up from \$741.9 million in September. Some of this will be transferred to the Emergency Reserve Account based on provisions in Initiative 601. This initiative requires that revenue in excess of the spending limit to be transferred to the Emergency Reserve Fund. The higher revenue forecast in November (and a revision to the I-601 spending limit for the 1999-01 biennium) increases the amount estimated to be transferred to the Emergency Reserve Account during the 1999-01 biennium by \$39.6 million, from \$194.7 million in September to \$234.3 million in November. The unreserved GFS ending balance is now projected to total \$550.4 million at the end of the 1999-01 biennium. The Emergency Reserve Balance, which requires a two-thirds vote to appropriate, is projected to be \$536.8 million on June 30, 2001. Initiative 728 affects the GFS balance sheet and reserves by changing the way the Emergency Reserve Fund balance is distributed. Prior to I-728, the Emergency Reserve Fund Balance in excess of 5.0 percent of annual General Fund Revenue was transferred to the School Construction Account.

Table 3.12

Summary of the Non Economic Changes to the November 2000 Forecast**General Fund-State**

(Millions of Dollars)

	<u>FY 2001</u>	<u>FY 2002</u>	<u>FY 2003</u>	2001-03 <u>Biennium</u>
Initiative 722				
Roll back of fee increases	(\$3.9)	(\$2.5)	(\$2.3)	(\$4.8)
Property tax limitation	<u>(5.6)</u>	<u>(13.7)</u>	<u>(20.8)</u>	<u>(34.4)</u>
Total GFS impact	(9.5)	(16.1)	(23.1)	(39.2)
 Initiative 728				
Transfer from the General Fund to the Student Achievement Account				
Lottery	0.0	(102.4)	(101.8)	(204.3)
A portion of property tax (state levy)*	<u>0.0</u>	<u>(106.2)</u>	<u>(132.6)</u>	<u>(238.8)</u>
Total GFS impact	0.0	(208.6)	(234.5)	(443.1)
 Total GFS Impact	(\$9.5)	(\$224.7)	(\$257.5)	(\$482.3)

*Estimate based on OFM analysis of I-728, subject to continuing review.

Table 3.13 Cash Basis
Track Record for the 1999-01 General Fund-State Cash Forecast
 February 1998 through November 2000
 (Millions of dollars)

<u>Date of Forecast</u>	<u>Department of Revenue*</u>	<u>Other Agencies*</u>	<u>Subtotal*</u>	<u>Legislation**</u>	<u>Total Change</u>	<u>Total General Fund-State Cash Basis</u>
February 1998****	\$19,656	\$1,246				\$20,902
Changes to Forecast						
June 1998	13	13	26	(65) ¹	(39)	20,864
September 1998	(181)	(13)	(195)	0	(195)	20,669
November 1998	(13)	(6)	(19)	(471) ²	(490)	20,179
March 1999	65	36	100	(7) ³	94	20,273
June 1999	172	(2)	170	(23) ⁴	147	20,419
September 1999	88	5	93	0	93	20,512
November 1999	186	4	191	25 ⁵	215	20,727
February 2000	142	4	146	(30) ⁶	115	20,843
June 2000	243	(10)	233	(3) ⁷	230	21,073
September 2000	56	(6)	51	7 ⁸	57	21,130
November 2000	36	13	49	(10) ⁹	39	21,169
Total Change***						
From February 1998	\$806	\$38	\$844	(\$578)	\$266	
Percent change	4.1%	3.0%	4.0%	-2.8%	1.3%	

* Excludes legislative, judicial, statutorily required or other major non-economic changes.

** Includes legislative, judicial, statutorily required or other major non-economic changes.

*** Detail may not add to total due to rounding.

**** First official forecast for the 1999-01 biennium.

1 Change to the forecast due to 1998 legislation. (Excluding the impact of referendum 49 and SHB 3015).

Major changes include: repeal of the B&O tax on internal distribution, consolidation/reduction of B&O tax rates, and a tax credit for firms engaged in international investment services.

2 Change to the forecast due to passage of Referendum 49.

3 Change to the forecast due to impact of SHB 3015 (2nd Narrows Bridge).

4 Change to the forecast due 1999 tax legislation (-\$25.1 million), budget driven revenue (\$29.9 million) and a statutorily required transfer to the Water Quality Account (-\$26.8 million).

5 Change to the GFS forecast due to passage of Initiative 695; this is the net of rental car tax going to the General Fund and the loss of camper/travel trailer excise tax revenue.

6 Due to legal uncertainties concerning the disposition of the rental car tax and legal considerations implying that most or all of the rental car distributions may not have been intended for deposit in the General Fund after passage of I-695, these revenues are not presently included in the General Fund-State forecast. In addition the ride-share credit was eliminated as of January 1, 2000; this was not previously included in the forecast.

7 The impact of 2000 legislation. Note the impact of the Telepage court case (extending the sales tax to paging services) is included as a Department of Revenue forecast change.

8 Revised impact of the salmon recovery timber tax credit.

9 Impact of Initiative 722 on General Fund-State revenue.

Table 3.14

Track Record for the 2001-03 General Fund-State Cash Forecast

February 2000 through November 2000

(Millions of dollars)

<u>Date of Forecast</u>	<u>Department of Revenue*</u>	<u>Other Agencies*</u>	<u>Subtotal*</u>	<u>Legislation**</u>	<u>Total Change</u>	<u>Total General Fund-State Cash Basis</u>
February 2000****	\$21,728	\$805				\$22,534
Changes to Forecast						
June 2000	99	(25)	74	(3) ¹	71	22,604
September 2000	158	(1)	157	5 ²	162	22,766
November 2000	32	12	43	(482) ³	(439)	22,327
Total Change***						
From February 2000	\$288	(\$14)	\$274	(\$481)	(\$207)	
Percent change	1.3%	-1.7%	1.2%	-2.1%	-0.9%	

* Excludes legislative, judicial, statutorily required or other major non-economic changes.

** Includes legislative, judicial, statutorily required or other major non-economic changes.

*** Detail may not add to total due to rounding.

**** First official forecast for the 2001-03 biennium.

1 Impact of 2000 legislation. Note the impact of the Telepage court case (extending the sales tax to paging services). This impact is included as a Department of Revenue forecast change.

2 Revised impact of the salmon recovery timber tax credit.

3 Impact of Initiatives 722 and 728. The estimate of initiative 728 is based on OFM analysis, subject to continuing review.

Table 3.15

November 2000 Baseline Forecast by Agency
Comparison of Cash and GAAP Basis
(Millions of dollars)

Agency	1997-99 Biennium			1999-01 Biennium			2001-03 Biennium		
	Cash Basis ¹	GAAP Basis ²	Diff.	Cash Basis ¹	GAAP Basis ²	Diff.	Cash Basis ¹	GAAP Basis ²	Diff.
General Fund - State Cash/Revenue Sources									
Department of Revenue ³	\$18,317.2	\$18,394.5	\$77.3	\$20,292.2	\$20,327.4	\$35.2	\$21,918.4	\$21,995.9	\$77.4
Department of Licensing	365.7	364.8	(0.9)	41.6	41.5	(0.1)	39.5	40.6	1.1
Insurance Commissioner ⁴	317.2	317.2	0.0	344.7	344.9	0.2	348.1	348.1	0.0
State Treasurer	148.9	148.2	(0.6)	139.6	139.4	(0.2)	119.1	118.7	(0.4)
Office of Financial Management									
Tuition	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Agencies	165.8	169.5	3.7	172.3	171.3	(1.0)	166.4	167.8	1.4
Subtotal: General Fund-State Cash/Revenue*	19,314.8	19,394.3	79.5	20,990.4	21,024.5	34.1	22,591.5	22,671.1	79.6
General Fund State - Other Financing Sources⁵									
Department of Revenue ⁶	72.1	80.2	8.0	73.2	65.7	(7.5)	65.1	65.1	0.0
Lottery Commission	222.0	218.8	(3.3)	198.3	196.1	(2.2)	0.0	0.0	0.0
Insurance Commissioner ⁷	(5.0)	(5.0)	0.0	(5.6)	(5.6)	0.0	(5.8)	(5.8)	0.0
Liquor Control Board	54.4	54.4	0.0	57.3	57.3	0.0	66.4	66.4	0.0
Office of Financial Management									
Other Agencies ⁸	(38.3)	(39.7)	(1.5)	(144.6)	(144.3)	0.4	(390.1)	(390.1)	0.0
Subtotal: GFS Other Financing Sources	305.3	308.6	3.3	178.6	169.3	(9.3)	(264.4)	(264.4)	0.0
Total Available Receipts/Resources									
General Fund-State *	\$19,620.1	\$19,702.9	\$82.8	\$21,168.9	\$21,193.7	\$24.8	\$22,327.1	\$22,406.7	\$79.6

* Detail may not add due to rounding.

1 General Fund-State cash receipts forecast.

2 General Fund-State Revenue Forecast on a GAAP (Generally accepted accounting principles) basis, used to show the state revenue position for financial reporting purposes.

3 Excludes the state share of the timber tax and unclaimed property transfers.

4 Total insurance premiums tax.

5 Other financing sources represent transfers to/from other funds from/to the General Fund.

6 Includes the state share of the timber excise tax and unclaimed property transfers.

7 Forty percent of fire insurance premiums.

8 Agency 701 and accounting sources: 480 and 481 for all other agencies.

Table 3.16

1999-01 Balance Sheet**General Fund-State**

(Dollars in Millions)

	<u>1999-01</u>
Resources	
Beginning Fund Balance	462.0
September Revenue Forecast	21,129.9
November 2000 Forecast Changes	48.6
Voter Approved Initiatives	<u>(9.5)</u>
Current Revenue Totals	21,169.0
Changes in Reserves/Other Adjustments	<u>0.0</u>
Total Resources (Revenue/Fund Balance)	21,631.0
Expenditures	
1999-01 Appropriations	20,572.8
2000 Supplemental budget	<u>278.3</u>
Revised 1999-01 Appropriations	20,851.1
November 1999 I-601 Expenditure Limit	20,683.0
2000 Supplemental budget changes	<u>251.7</u>
Preliminary I-601 Expenditure Limit	20,934.7
General Fund Balance	
Total Ending Balance	779.8
Transfer to Emergency Reserve Fund	<u>(234.3)</u>
Unreserved General Fund Balance	545.6
25% of Spillover Under I-728	4.8
Unreserved General Fund Balance	550.4
Emergency Reserve Fund	
Beginning Balance	535.7
ERF Transfer to Transportation	(35.0)
Other Changes (Transfer from General Fund plus interest earnings)	298.1
Deposit to Education Construction Account	<u>(242.7)</u>
Deposit to Student Achievement Fund	(14.4)
Deposit back to General Fund	<u>(4.8)</u>
Emergency Reserve (5% Annual Threshold)	536.8
House and Senate Fiscal Committees Office of Financial Management	11/15/00

Table 3.17
November 2000 Alternative Forecasts Compared to the Baseline Forecast
1999-01 Biennium
(Millions of dollars)

Forecast by Source	Optimistic Forecast	Baseline Forecast	Pessimistic Forecast
<i>Department of Revenue</i>			
Retail Sales	\$11,053.3	\$10,993.5	\$10,930.2
Business & Occupation Use	3,767.2	3,748.7	3,737.1
Public Utility	743.8	740.5	738.2
Property (school levy)	454.4	453.3	446.4
Real Estate Excise	2,694.0	2,653.5	2,613.0
Other	810.9	804.6	793.8
Subtotal	994.9	971.3	951.1
	20,518.5	20,365.4	20,209.8
<i>Department of Licensing</i>	42.1	41.6	41.0
<i>Insurance Commissioner¹</i>	343.2	339.1	335.0
<i>Lottery Commission</i>	209.1	198.3	187.8
<i>State Treasurer - Interest earnings</i>	153.8	139.6	129.9
<i>Liquor Profits & Fees²</i>	57.9	57.3	56.7
<i>Office of Financial Management</i>			
Other agencies	27.3	27.7	28.0
Total General Fund - State*	\$21,352.0	\$21,168.9	\$20,988.2
Difference from November 2000 Baseline	\$183.1		(\$180.8)

1 Insurance premiums, General Fund-State portion.

2 Includes beer and wine surtax.

* Detail may not add to total due to rounding.

Table 3.18

November 2000 Alternative Forecasts Compared to the Baseline Forecast
2001-03 Biennium
(Millions of dollars)

Forecast by Source	Optimistic Forecast	Baseline Forecast	Pessimistic Forecast
<i>Department of Revenue</i>			
Retail Sales	\$12,350.7	\$11,893.0	\$11,397.6
Business & Occupation	4,294.7	4,157.4	4,013.4
Use	773.7	747.6	724.8
Public Utility	479.1	466.2	450.2
Property (school levy)	2,961.3	2,847.2	2,733.3
Real Estate Excise	985.1	891.1	779.4
Other	1,021.9	981.1	932.1
Subtotal	22,866.5	21,983.6	21,030.7
<i>Department of Licensing</i>	40.7	39.5	38.3
<i>Insurance Commissioner¹</i>	350.9	342.3	333.8
<i>Lottery Commission</i>	0.0	0.0	0.0
<i>State Treasurer - Interest earnings</i>	160.3	119.1	88.7
<i>Liquor Profits & Fees²</i>	67.7	66.4	65.1
<i>Office of Financial Management</i>			
Other agencies	(312.4)	(223.7)	(168.2)
Total General Fund - State*	\$23,173.7	\$22,327.1	\$21,388.4
Difference from November 2000 Baseline	\$846.6		(\$938.8)

1 Insurance premiums, General Fund-State portion.

2 Includes beer and wine surtax.

* Detail may not add to total due to rounding.

Under I-728, 50 percent of this is transferred to School Construction Account, 37.5 percent is transferred to the Student Achievement Account, and 12.5 percent is transferred back to the General Fund. This provision increases the General Fund unrestricted balance by \$4.8 million.

Alternative Forecast for the 1999-01 and 2001-03 Biennia

The November baseline forecast continues to assume the national economy will continue to expand during the 1999-01 and 2001-03 biennia. The baseline economic scenario assumes a healthy Federal budget surplus, stable oil prices and a strong dollar. The Federal Reserve is assumed to manage the economy nearly perfectly, providing an environment that produces continued economic growth while keeping inflation in check. To a large degree, the baseline forecast assumes nothing goes wrong. This of course may not happen. Two alternative scenarios to the baseline economic and GFS revenue forecast are outlined below.

In the optimistic scenario, not only does nothing go wrong, economic growth is stronger than that assumed in the baseline. Average real GDP growth is nearly a half of one percent higher than the baseline over the forecast horizon and inflation is about 0.2 percent greater. The differences between the optimistic and baseline forecast are even greater for the Washington economy. State personal income is 1.7 percent higher than the baseline by the end of fiscal year 2001 and is 5.0 percent higher by the end of the 2001-03 biennium. State wage and salary employment is 13,900 greater than the baseline by the end of the 1999-01 biennium and is nearly 63,300 higher by the last quarter of the 2001-03 biennium.

In the pessimistic scenario, a lot of things go wrong. Oil prices rise above \$50 a barrel in early 2001 triggering a worldwide recession. The stock market falls, eroding wealth and consumer confidence. The Fed acts to lower interest rates but not in time to prevent a national recession. Real GDP declines for three quarters beginning in the second quarter of 2001. Although recovery is quick, income is still lower than the baseline throughout the forecast period. At the state level, the recession hits hard. Washington State personal income is 1.8 percent below the baseline estimate at the end of fiscal year 2001. State income is 4.2 percent less than the baseline by the second half of fiscal 2002 and is still 3.3 percent less than the baseline by the end of the 2001-03 biennium, despite a strong national recovery in fiscal 2003. Wage and salary employment is 20,000 lower than the baseline by the end of the 1999-01 biennium and 61,800 less by the second quarter of 2003.

Table 3.17 shows the revenue implications of these alternative scenarios for the 1999-01 biennium. The optimistic scenario generates \$21,352.0 million GFS revenue in the 1999-01 biennium. This is \$183.1 million more than the baseline forecast. The pessimistic alternative produces only \$20,988.2 million GFS revenue in the 1999-01 biennium, \$180.8 million less than the baseline forecast. Table 3.18 summarizes alternative revenue forecasts for the 2001-03 biennium. The optimistic forecast generates \$23,173.7 million next biennium. This is \$846.6 million more than the baseline. The pessimistic alternative produces only \$21,388.4 million in the 2001-03 biennium, \$938.8 million less than the baseline.

In addition to the official optimistic and pessimistic alternatives, we routinely prepare a third alternative forecast. This is developed by averaging the forecasts for several key economic variables made by members of the Governor's Council of Economic Advisors (GCEA). The November GCEA scenario was based on the forecasts of five members of the Governor's Council of Economic Advisors. The GCEA alternative was \$12 million higher than the baseline for the 1999-01 biennium and \$48 million higher in the 2001-03 biennium.

County Personal Income and Employment, 1994 to 1998

Personal income is a measure of the total income received by individuals. It includes not only income earned from working, but also income derived from dividends, rent, interest, and transfer payments (such as Social Security). Personal contributions to social insurance programs such as Social Security, however, are not included in personal income since to do so would count this income twice (since it ends up as transfer payments for someone else). When the total personal income of a region is divided by the population of that region, the result is the per capita personal income of that region.

The US Department of Commerce, Bureau of Economic Analysis (BEA) publishes annual estimates of personal income on a county-by-county basis. The estimates are broken down by source and by industry. In June of this year, the bureau released new estimates for 1998 personal income and revised estimates from 1969 to 1997. The revision incorporated the recent comprehensive revision of State personal income and of the national income and product accounts (NIPA) and reflects the incorporation of major definitional and statistical improvements. In general, these changes resulted in an upward revision of previously published estimates of personal income from 1969 to 1997. This report presents details of the income data from 1994 to 1998. Data prior to 1994 are available through the BEA or the Washington State Office of the Forecast Council.

1998 per capita personal income in Washington's counties ranged from \$40,905 in King County to \$16,031 in Ferry County. **Chart 4.1** illustrates both the level of per capita personal income in each county and its sources. The chart orders the counties according to population density, with the most densely populated counties presented first. Urban counties, which are defined by state law as those with a population density greater than one hundred people per square mile, are denoted by an asterisk. The length of the black bar in the chart indicates the total amount of per capita earnings generated from work within a particular county. Where the bar extends below zero, a negative "residence adjustment" is indicated. A negative residence adjustment indicates that non-residents working in that county removed more earnings from the county than county residents working elsewhere brought into the county. In counties where residents working outside the county bring in more earnings than non-residents take out, a positive residence adjustment is indicated by a white bar. The total amount of per capita income that is derived from earnings by county residents is thus indicated by the top of the black bar, and the proportion of that income that is earned within the county is indicated by the relative lengths of the white and black bars.

From the chart, one can see that in general, the most densely populated counties tend to have the highest per capita personal income. The difference in average per capita personal income between urban and rural counties was, in fact, almost ten thousand dollars in 1998. The chart also indicates a large variation in income derivation between counties. One example of this variation is the difference between King and San Juan counties, which are the two counties with the highest per capita personal income in the state. King County's above average per capita personal income stems from a high level of per capita earnings. San Juan County's high per capita personal income, however, is the result of high levels of income from dividends, interest, and rent stemming from its large population of retirees, which also decreases the county's income from earnings.

Commuting, as reflected by "residence adjustments" in Chart 4.1, also has a large effect on county earnings. For example, approximately three times as many people commute from other counties to work in King County than the reverse¹. In 1998, this resulted in a net earnings outflow from King County into other areas of some 6.2 billion dollars. This outflow resulted in a positive residence adjustment for many of the surrounding counties. Counties in southwest Washington that border on the Portland metropolitan area such as Clark and Skamania experience similar large earnings inflows. Skamania County, in fact, had a higher level of per capita earnings from outside of the county (\$7,326) than within (\$6,565).

The amount of income that county residents can earn within their own county is a function of job availability, labor force participation, and average wage per job. The job availability within counties can be compared by using a "job ratio," which is calculated by dividing the number of jobs in a county by the county's population. **Table 4.1** lists 1998 county job ratios, reported as the number of jobs per 100 residents.

The BEA does not publish county data on labor force participation, nor can it be determined by total employment, since there is no way of counting how many workers have more than one job. As a substitute, unemployment rates and per capita residence adjustments are also included in Table 4.1. While these figures do not indicate what portion of the population participates in the labor force, they can provide an indication of overall labor market behavior. For example, Asotin County has a job ratio of 35.6, well below the state average of 60.1. It also, however, has a large positive per capita residence adjustment (\$5,069), indicating that a large amount of the labor force works in other counties or states (In this case, Lewiston, Idaho). The unemployment rate of 4.1%, below the state average of 4.8%, further indicates that county residents as a whole can find work relatively easily. Skamania County, on the other hand, also has a low (30.1) job ratio and high (\$7,326) per capita residence adjustment, but its high unemployment rate of 10.0% indicates that residents have a relatively hard time finding work².

Chart 4.2 indicates 1998 county average earnings per job. The chart orders the counties according to population density, with the most densely populated counties presented first. From the chart, one can see that the difference in average earnings per job between urban and rural counties is even more pronounced than the difference in per capita personal income, reaching a level of almost twelve thousand dollars in 1998.

The components of county earnings are detailed in tables 4.2 and 4.3. **Table 4.2** indicates the number of people in each county employed in either full-time or part-time jobs per major industry classification and the average earnings per job. **Table 4.3** lists the sources of 1998 income for each county, population and per capita personal income, and earnings broken down by major industry. These tables provide an indication of how much of the difference in per capita earnings between counties is the result of differences in industry mix. For example, according to Table 4.2,

farm proprietorship, farm employment, and agricultural services/forestry/fishing are among the four lowest paying industries in Washington. Those industries combined represent 26% of jobs³ in Garfield County, which ranks second to last in county earnings per job and eighth to last in per capita personal income. In Snohomish County, however, manufacturing, which is on average the third-highest paying industry in the state, represents 24% of jobs. This helped the county to rank second in wages per job and third in per capita personal income.

When using tables 4.2 and 4.3 to determine industry mix, it must be noted that the industries are classified according to Standard Industry Classification (SIC) codes. As these codes were last revised in 1987 (in anticipation of the new North American Industry Classification System (NAICS) which is currently being phased in), they do not explicitly indicate many of the high-technology jobs that are the source of high earnings growth in several counties. For example, production of computer software is classified as “Business Services” under the major heading of “Services”. This helps to explain why the average wage for “services” in King County is \$48,338 but only \$13,517 in Pend Oreille County.

Table 4.4 lists the per capita personal income of Washington’s counties and metropolitan areas from 1994 to 1998 and the amount of growth during that period. From 1994 to 1998, the state’s urban counties experienced a total increase in per capita personal income of 26.8 percent, while rural counties grew 14.6 percent. The increase in US per capita personal income in the same period was 20.5 percent.

While there is a wide variation in per capita personal income between rural and urban counties, there is also variation in the counties’ cost of living. While there is no published data on the relative cost of living between counties, the median home price can provide a good indication. **Table 4.5** shows the relationship of median home prices to per capita personal income. For example, King County has the highest per capita personal income level (42.4 percent higher than the state average) and the highest median home price (28.5 percent greater than the state average). Alternatively, Ferry County has the lowest per capita personal income at \$16,031 per year (44.2 percent lower than the state average), and is ranked 27th with a median home price of \$92,200 (42.6 percent less than the state average). This relationship suggests that the difference in per capita personal income between urban and rural communities may be offset somewhat by their differences in cost of living.

¹ 1990 Journey To Work Statistics, BEA

² Care, however, must be taken when comparing unemployment rates between Washington counties. This is because the yearly average unemployment rate of counties with high levels of farm employment is inflated by high off-season unemployment. These counties’ rates will therefore be higher on the average than non-farm counties even though their residents may experience similar degrees of employment.

³ Recall, however, that “jobs” includes both full-time and part-time positions and represents the number of jobs rather than the amount of time spent in employment

Table 4.1

1998 Job Ratio, Unemployment, and Per Capita Residence Adjustment

	Total Full and Part-Time Employment	Population	Job Ratio	Per Capita Residence Adjustment	Unemployment Rate
Washington	3,419,408	5,687,832	60.1	\$341	4.80%
Adams	9,008	15,339	58.7	\$70	10.70%
Asotin	7,577	21,286	35.6	\$5,069	4.10%
Benton#	74,603	136,132	54.8	\$209	6.60%
Chelan	44,735	60,169	74.3	-\$2,562	8.80%
Clallam	30,693	64,273	47.8	\$76	7.90%
Clark*	150,432	327,418	45.9	\$5,593	4.00%
Columbia	2,383	4,158	57.3	-\$563	11.40%
Cowlitz	47,565	91,409	52.0	-\$408	7.90%
Douglas	11,331	33,600	33.7	\$5,433	6.90%
Ferry	2,818	7,163	39.3	\$382	11.30%
Franklin#	25,570	46,511	55.0	-\$1,974	10.00%
Garfield	1,299	2,317	56.1	-\$609	3.60%
Grant	37,502	70,667	53.1	-\$331	9.20%
Grays Harbor	31,786	67,463	47.1	\$165	10.20%
Island*	30,668	71,747	42.7	\$2,503	3.50%
Jefferson	11,936	26,275	45.4	\$2,556	6.70%
King*	1,375,411	1,654,329	83.1	-\$3,726	3.10%
Kitsap*	110,336	232,933	47.4	\$736	5.30%
Kittitas	16,663	31,403	53.1	\$817	6.00%
Klickitat	8,668	19,361	44.8	-\$189	10.80%
Lewis	34,204	68,094	50.2	-\$173	8.30%
Lincoln	5,229	9,766	53.5	\$991	5.20%
Mason	17,595	49,826	35.3	\$2,099	6.40%
Okanogan	22,830	38,286	59.6	-\$368	10.80%
Pacific	9,415	20,855	45.1	\$563	9.90%
Pend Oreille	4,088	11,523	35.5	\$897	12.10%
Pierce*	322,485	675,962	47.7	\$3,411	4.60%
San Juan	8,627	12,545	68.8	\$1,519	4.50%
Skagit	54,521	99,389	54.9	\$741	7.10%
Skamania	2,941	9,779	30.1	\$7,326	10.00%
Snohomish*	283,165	585,487	48.4	\$5,056	3.00%
Spokane*	242,097	408,221	59.3	-\$753	4.80%
Stevens	15,898	39,591	40.2	\$1,660	9.00%
Thurston*	107,097	202,264	52.9	\$2,365	4.90%
Wahkiakum	1,611	3,862	41.7	\$3,337	6.30%
Walla Walla	30,481	53,671	56.8	-\$1,108	6.80%
Whatcom#	90,588	157,244	57.6	\$206	5.80%
Whitman	20,943	38,706	54.1	-\$931	2.00%
Yakima#	114,609	218,808	52.4	\$355	10.50%

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

1998 Full-Time and Part-Time Employees and Earnings¹ by Major Industry²

	Washington		Adams		Asotin	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	3,419,408	\$34,548	9,008	\$20,960	7,577	\$20,061
Wage and salary employment	2,814,981	\$33,381	6,963	\$21,264	5,491	\$20,819
Proprietors' employment	604,427	\$21,851	2,045	\$12,021	2,086	\$11,659
Farm proprietors' employment	38,959	\$14,994	800	\$4,769	223	-\$16,381
Nonfarm proprietors' employment	565,468	\$22,323	1,245	\$16,681	1,863	\$15,015
Farm employment	82,174	\$18,293	1,954	\$15,436	271	-\$10,443
Nonfarm employment	3,337,234	\$34,948	7,054	\$22,491	7,306	\$21,193
Private employment	2,808,249	\$34,035	5,574	\$21,191	6,269	\$19,493
Ag. services, forestry, fishing, & other	58,199	\$20,124	427	\$14,030	(D)	N/A
Mining	5,319	\$37,499	(L)	N/A	(D)	N/A
Construction	198,685	\$37,849	223	\$26,040	660	\$33,332
Manufacturing	402,365	\$46,752	1,097	\$27,271	326	\$34,334
Transportation and public utilities	156,056	\$53,021	435	\$40,216	205	\$40,083
Wholesale trade	166,475	\$42,724	631	\$31,436	266	\$20,169
Retail trade	578,668	\$18,116	1,167	\$13,111	1,643	\$14,506
Finance, insurance, and real estate	251,416	\$30,713	360	\$12,036	428	\$11,208
Services	991,066	\$34,595	1,228	\$15,829	2,602	\$17,436
Government and government enterprises	528,985	\$39,793	1,480	\$27,389	1,037	\$31,467
Federal, civilian	66,840	\$60,320	47	\$47,745	66	\$56,152
Military	73,524	\$37,548	57	\$12,614	79	\$12,620
State and local	388,621	\$36,687	1,376	\$27,305	892	\$31,309
State	125,988	\$36,416	92	\$30,000	154	\$28,422
Local	262,633	\$36,817	1,284	\$27,112	738	\$31,912

	Benton		Chelan		Clallam	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	74,603	\$32,677	44,735	\$25,241	30,693	\$23,022
Wage and salary employment	61,651	\$32,874	35,422	\$24,334	22,101	\$23,364
Proprietors' employment	12,952	\$14,615	9,313	\$18,263	8,592	\$14,486
Farm proprietors' employment	1,452	\$23,862	1,522	\$12,724	376	\$2,894
Nonfarm proprietors' employment	11,500	\$13,448	7,791	\$19,345	8,216	\$15,017
Farm employment	4,624	\$22,872	5,329	\$16,985	439	\$5,433
Nonfarm employment	69,979	\$33,324	39,406	\$26,357	30,254	\$23,277
Private employment	59,740	\$31,664	33,171	\$24,227	24,402	\$20,282
Ag. services, forestry, fishing, & other	1,704	\$12,225	1,907	\$18,474	(D)	N/A
Mining	(D)	N/A	(D)	N/A	(D)	N/A
Construction	3,817	\$37,476	2,727	\$35,059	2,121	\$27,841
Manufacturing	4,647	\$41,170	2,981	\$34,071	2,654	\$31,791
Transportation and public utilities	7,728	\$58,914	(D)	N/A	1,073	\$32,127
Wholesale trade	(D)	N/A	2,584	\$28,003	733	\$25,524
Retail trade	13,543	\$13,950	8,046	\$16,361	6,161	\$14,532
Finance, insurance, and real estate	3,713	\$17,288	2,738	\$18,542	1,978	\$17,092
Services	22,904	\$33,754	10,714	\$24,694	8,783	\$17,242
Government and government enterprises	10,239	\$43,013	6,235	\$37,687	5,852	\$35,768
Federal, civilian	815	\$80,583	711	\$54,495	468	\$49,389
Military	518	\$13,299	224	\$12,772	489	\$28,497
State and local	8,906	\$41,303	5,300	\$36,485	4,895	\$35,192
State	1,021	\$34,808	1,157	\$36,710	1,424	\$35,642
Local	7,885	\$42,144	4,143	\$36,422	3,471	\$35,008

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2
1998 Full-Time and Part-Time Employees and Earnings¹ by Major Industry²

	Clark		Columbia		Cowlitz	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	150,432	\$30,276	2,383	\$20,494	47,565	\$29,036
Wage and salary employment	118,766	\$29,566	1,709	\$20,444	39,671	\$28,396
Proprietors' employment	31,666	\$19,954	674	\$13,006	7,894	\$16,225
Farm proprietors' employment	1,506	\$5,208	320	\$11,781	438	\$3,288
Nonfarm proprietors' employment	30,160	\$20,690	354	\$14,113	7,456	\$16,985
Farm employment	1,757	\$7,090	400	\$14,968	672	\$10,512
Nonfarm employment	148,675	\$30,550	1,983	\$21,609	46,893	\$29,302
Private employment	129,226	\$29,381	1,450	\$18,633	40,875	\$28,782
Ag. services, forestry, fishing, & other	1,700	\$13,336	60	\$18,050	852	\$12,441
Mining	605	\$33,988	(D)	N/A	203	\$64,310
Construction	13,502	\$39,131	93	\$37,688	3,413	\$37,209
Manufacturing	21,197	\$44,563	(D)	N/A	10,123	\$46,282
Transportation and public utilities	7,318	\$43,434	86	\$32,988	2,003	\$38,987
Wholesale trade	6,195	\$40,190	63	\$26,444	1,407	\$32,404
Retail trade	27,322	\$16,108	258	\$11,605	8,908	\$15,646
Finance, insurance, and real estate	11,108	\$25,025	64	\$17,094	2,569	\$17,956
Services	40,279	\$24,720	(D)	N/A	11,397	\$21,768
Government and government enterprises	19,449	\$38,319	533	\$29,705	6,018	\$32,834
Federal, civilian	2,471	\$68,803	54	\$61,593	271	\$52,528
Military	1,224	\$12,963	15	\$13,000	341	\$12,730
State and local	15,754	\$35,508	464	\$26,534	5,406	\$33,115
State	2,907	\$34,174	27	\$30,852	1,047	\$32,294
Local	12,847	\$35,810	437	\$26,268	4,359	\$33,312

	Douglas		Ferry		Franklin	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	11,331	\$19,889	2,818	\$22,764	25,570	\$26,532
Wage and salary employment	8,615	\$21,901	1,862	\$23,395	21,187	\$24,443
Proprietors' employment	2,716	\$5,647	956	\$13,633	4,383	\$23,256
Farm proprietors' employment	1,140	(\$8,197)	217	\$10,558	1,205	\$44,422
Nonfarm proprietors' employment	1,576	\$15,661	739	\$14,536	3,178	\$15,230
Farm employment	2,746	\$7,084	222	\$10,608	4,257	\$27,277
Nonfarm employment	8,585	\$23,985	2,596	\$23,804	21,313	\$26,383
Private employment	6,732	\$20,893	1,851	\$21,375	17,209	\$24,535
Ag. services, forestry, fishing, & other	773	\$20,133	75	\$8,813	1,210	\$15,031
Mining	(L)	N/A	(D)	N/A	45	\$23,889
Construction	606	\$30,711	138	\$25,638	1,229	\$34,670
Manufacturing	216	\$39,977	(D)	N/A	1,668	\$33,587
Transportation and public utilities	376	\$34,136	65	\$30,323	1,446	\$39,180
Wholesale trade	355	\$30,299	(D)	N/A	1,741	\$32,007
Retail trade	1,931	\$16,142	434	\$12,168	3,560	\$15,847
Finance, insurance, and real estate	452	\$16,520	117	\$11,778	917	\$12,540
Services	2,017	\$17,524	(D)	N/A	5,393	\$22,998
Government and government enterprises	1,853	\$35,217	745	\$29,839	4,104	\$34,132
Federal, civilian	138	\$69,130	152	\$48,697	461	\$60,534
Military	125	\$12,624	27	\$12,481	173	\$12,595
State and local	1,590	\$34,050	566	\$25,602	3,470	\$31,698
State	74	\$39,608	32	\$31,719	994	\$31,904
Local	1,516	\$33,779	534	\$25,236	2,476	\$31,616

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

1998 Full-Time and Part-Time Employees and Earnings¹ by Major Industry²

	Garfield		Grant		Grays Harbor	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	1,299	\$17,608	37,502	\$26,149	31,786	\$25,235
Wage and salary employment	802	\$22,026	30,037	\$23,039	24,811	\$25,269
Proprietors' employment	497	\$3,258	7,465	\$28,103	6,975	\$14,636
Farm proprietors' employment	277	-\$3,715	2,381	\$49,724	503	\$14,841
Nonfarm proprietors' employment	220	\$12,036	5,084	\$17,977	6,472	\$14,621
Farm employment	339	\$920	6,639	\$31,906	620	\$15,963
Nonfarm employment	960	\$23,501	30,863	\$24,910	31,166	\$25,420
Private employment	579	\$16,853	24,707	\$22,631	25,878	\$24,115
Ag. services, forestry, fishing, & other	(D)	N/A	1,729	\$14,701	1,096	\$12,804
Mining	0	N/A	(D)	N/A	(D)	N/A
Construction	(D)	N/A	1,681	\$32,054	1,611	\$31,250
Manufacturing	(D)	N/A	5,192	\$31,385	5,169	\$37,750
Transportation and public utilities	(D)	N/A	1,385	\$37,642	1,222	\$37,564
Wholesale trade	149	\$27,134	1,567	\$29,957	726	\$31,351
Retail trade	110	\$10,918	5,549	\$15,841	6,234	\$16,054
Finance, insurance, and real estate	42	\$16,190	(D)	N/A	(D)	N/A
Services	159	\$11,258	6,256	\$17,307	7,793	\$20,467
Government and government enterprises	381	\$33,604	6,156	\$34,056	5,288	\$31,806
Federal, civilian	109	\$55,138	272	\$58,070	226	\$50,646
Military	(L)	N/A	269	\$13,342	289	\$15,588
State and local	263	\$25,414	5,615	\$33,885	4,773	\$31,895
State	20	\$32,800	738	\$33,558	754	\$34,142
Local	243	\$24,807	4,877	\$33,935	4,019	\$31,474
	Island		Jefferson		King	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	30,668	\$28,229	11,936	\$20,035	1,375,411	\$43,693
Wage and salary employment	22,940	\$25,747	7,909	\$21,386	1,172,004	\$41,298
Proprietors' employment	7,728	\$12,958	4,027	\$11,980	203,407	\$33,676
Farm proprietors' employment	339	\$5,752	168	\$10,018	1,377	\$7,702
Nonfarm proprietors' employment	7,389	\$13,289	3,859	\$12,066	202,030	\$33,853
Farm employment	421	\$9,097	195	\$11,528	2,278	\$17,320
Nonfarm employment	30,247	\$28,496	11,741	\$20,176	1,373,133	\$43,737
Private employment	17,932	\$18,161	9,761	\$17,858	1,219,934	\$43,992
Ag. services, forestry, fishing, & other	618	\$8,249	475	\$11,768	14,936	\$35,282
Mining	(D)	N/A	(D)	N/A	1,273	\$27,196
Construction	1,810	\$31,723	1,027	\$23,851	72,287	\$44,403
Manufacturing	1,100	\$24,722	1,139	\$30,784	168,862	\$52,085
Transportation and public utilities	662	\$32,971	270	\$34,778	80,893	\$62,641
Wholesale trade	(D)	N/A	(D)	N/A	88,262	\$51,207
Retail trade	4,606	\$13,610	2,229	\$12,376	217,969	\$21,543
Finance, insurance, and real estate	2,210	\$17,781	865	\$10,197	119,703	\$40,003
Services	6,535	\$15,919	3,450	\$14,926	455,749	\$48,338
Government and government enterprises	12,315	\$43,544	1,980	\$31,603	153,199	\$41,703
Federal, civilian	1,444	\$41,979	166	\$57,355	20,754	\$64,597
Military	7,890	\$48,112	107	\$15,430	7,441	\$20,150
State and local	2,981	\$32,211	1,707	\$30,112	125,004	\$39,185
State	394	\$30,883	206	\$38,573	45,689	\$35,959
Local	2,587	\$32,414	1,501	\$28,951	79,315	\$41,043

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2
1998 Full-Time and Part-Time Employees and Earnings¹ by Major Industry²

	Kitsap		Kittitas		Klickitat	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	110,336	\$31,018	16,663	\$22,281	8,668	\$25,015
Wage and salary employment	88,422	\$28,609	12,389	\$21,081	6,216	\$26,927
Proprietors' employment	21,914	\$12,224	4,274	\$17,441	2,452	\$11,053
Farm proprietors' employment	434	\$2,141	1,009	\$3,970	693	\$1,146
Nonfarm proprietors' employment	21,480	\$12,428	3,265	\$21,604	1,759	\$14,956
Farm employment	476	\$3,695	1,469	\$9,717	1,128	\$8,225
Nonfarm employment	109,860	\$31,137	15,194	\$23,496	7,540	\$27,527
Private employment	70,320	\$20,743	10,906	\$20,500	5,867	\$26,430
Ag. services, forestry, fishing, & other	1,671	\$16,019	321	\$12,368	347	\$16,092
Mining	112	\$20,196	31	\$8,613	32	\$21,656
Construction	5,838	\$31,058	759	\$27,760	551	\$28,826
Manufacturing	3,166	\$24,066	1,041	\$29,803	1,331	\$44,559
Transportation and public utilities	2,357	\$28,764	700	\$48,887	594	\$53,460
Wholesale trade	1,630	\$27,942	418	\$40,667	160	\$18,788
Retail trade	19,380	\$14,869	3,465	\$14,311	1,041	\$11,393
Finance, insurance, and real estate	6,775	\$17,692	723	\$13,631	370	\$19,392
Services	29,391	\$22,140	3,448	\$16,408	1,441	\$13,741
Government and government enterprises	39,540	\$49,622	4,288	\$31,116	1,673	\$31,375
Federal, civilian	14,620	\$66,466	164	\$52,683	115	\$52,661
Military	13,716	\$44,456	131	\$18,901	72	\$12,569
State and local	11,204	\$33,966	3,993	\$30,631	1,486	\$30,639
State	2,106	\$35,609	2,270	\$32,037	193	\$34,534
Local	9,098	\$33,586	1,723	\$28,778	1,293	\$30,057

	Lewis		Lincoln		Mason	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	34,204	\$24,889	5,229	\$17,192	17,595	\$24,363
Wage and salary employment	26,414	\$24,817	3,312	\$21,243	13,244	\$24,264
Proprietors' employment	7,790	\$15,483	1,917	\$5,120	4,351	\$15,917
Farm proprietors' employment	1,470	\$14,419	865	-\$1,853	275	-\$444
Nonfarm proprietors' employment	6,320	\$15,731	1,052	\$10,854	4,076	\$17,021
Farm employment	1,745	\$15,776	1,129	\$3,766	309	\$2,660
Nonfarm employment	32,459	\$25,379	4,100	\$20,889	17,286	\$24,751
Private employment	27,257	\$24,180	2,772	\$18,079	13,762	\$22,379
Ag. services, forestry, fishing, & other	1,065	\$14,057	169	\$18,609	675	\$13,373
Mining	(D)	N/A	(L)	N/A	(D)	N/A
Construction	1,780	\$32,233	194	\$18,247	1,399	\$32,492
Manufacturing	4,553	\$32,582	95	\$20,042	2,201	\$38,428
Transportation and public utilities	1,535	\$41,126	108	\$48,315	(D)	N/A
Wholesale trade	1,087	\$28,049	298	\$32,943	478	\$21,828
Retail trade	7,931	\$16,747	707	\$10,716	3,230	\$13,965
Finance, insurance, and real estate	(D)	N/A	280	\$12,021	1,156	\$14,933
Services	7,152	\$20,832	915	\$16,993	4,079	\$17,089
Government and government enterprises	5,202	\$31,660	1,328	\$26,753	3,524	\$34,014
Federal, civilian	322	\$51,935	73	\$47,534	113	\$47,673
Military	253	\$12,640	36	\$12,667	185	\$12,649
State and local	4,627	\$31,289	1,219	\$25,925	3,226	\$34,760
State	1,169	\$33,693	79	\$36,456	1,014	\$38,035
Local	3,458	\$30,477	1,140	\$25,195	2,212	\$33,259

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2
1998 Full-Time and Part-Time Employees and Earnings¹ by Major Industry²

	Okanogan		Pacific		Pend Oreille	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	22,830	\$20,392	9,415	\$21,213	4,088	\$23,816
Wage and salary employment	17,237	\$20,322	6,628	\$20,637	2,661	\$25,105
Proprietors' employment	5,593	\$12,072	2,787	\$16,346	1,427	\$14,590
Farm proprietors' employment	1,705	\$2,755	319	\$37,075	303	\$3,294
Nonfarm proprietors' employment	3,888	\$16,157	2,468	\$13,667	1,124	\$17,635
Farm employment	4,615	\$10,757	373	\$34,668	311	\$4,868
Nonfarm employment	18,215	\$22,833	9,042	\$20,658	3,777	\$25,376
Private employment	14,233	\$19,122	7,252	\$18,151	2,790	\$22,976
Ag. services, forestry, fishing, & other	904	\$13,937	916	\$10,466	49	\$3,143
Mining	97	\$27,742	41	\$33,902	(D)	N/A
Construction	927	\$25,608	389	\$19,491	263	\$18,916
Manufacturing	1,262	\$28,754	1,212	\$34,631	576	\$52,885
Transportation and public utilities	502	\$32,616	189	\$26,714	179	\$29,419
Wholesale trade	1,227	\$21,490	50	\$26,360	(D)	N/A
Retail trade	3,351	\$15,002	1,746	\$12,099	638	\$13,052
Finance, insurance, and real estate	947	\$11,063	540	\$13,641	183	\$13,186
Services	5,016	\$18,612	2,169	\$16,710	858	\$13,517
Government and government enterprises	3,982	\$36,096	1,790	\$30,817	987	\$32,160
Federal, civilian	799	\$63,370	61	\$42,574	109	\$50,284
Military	142	\$12,641	160	\$26,369	43	\$12,581
State and local	3,041	\$30,026	1,569	\$30,813	835	\$30,802
State	311	\$33,723	310	\$34,268	25	\$40,520
Local	2,730	\$29,604	1,259	\$29,963	810	\$30,502
	Pierce		San Juan		Skagit	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	322,485	\$29,578	8,627	\$18,936	54,521	\$26,092
Wage and salary employment	267,585	\$28,103	5,061	\$20,588	41,947	\$24,991
Proprietors' employment	54,900	\$15,850	3,566	\$13,325	12,574	\$20,338
Farm proprietors' employment	1,270	\$9,712	216	-\$3,097	966	\$38,562
Nonfarm proprietors' employment	53,630	\$15,995	3,350	\$14,384	11,608	\$18,821
Farm employment	2,008	\$15,582	224	-\$2,170	2,842	\$30,691
Nonfarm employment	320,477	\$29,666	8,403	\$19,498	51,679	\$25,839
Private employment	249,649	\$26,391	7,449	\$18,070	43,332	\$24,391
Ag. services, forestry, fishing, & other	4,032	\$15,733	363	\$8,116	1,833	\$20,115
Mining	299	\$27,552	(D)	N/A	(D)	N/A
Construction	19,198	\$34,432	1,066	\$29,178	3,898	\$34,953
Manufacturing	27,427	\$41,075	378	\$21,810	5,643	\$35,887
Transportation and public utilities	10,818	\$42,972	311	\$26,887	2,024	\$34,991
Wholesale trade	13,242	\$36,059	(D)	N/A	1,695	\$29,849
Retail trade	57,583	\$16,920	1,543	\$15,219	11,117	\$16,597
Finance, insurance, and real estate	24,508	\$25,422	895	\$12,819	(D)	N/A
Services	92,542	\$23,661	2,757	\$15,959	13,669	\$21,095
Government and government enterprises	70,828	\$41,208	954	\$30,653	8,347	\$33,352
Federal, civilian	9,703	\$47,948	64	\$43,875	416	\$53,401
Military	23,385	\$43,549	46	\$12,739	372	\$12,868
State and local	37,740	\$38,025	844	\$30,627	7,559	\$33,256
State	10,501	\$35,250	95	\$22,358	1,344	\$35,569
Local	27,239	\$39,094	749	\$31,676	6,215	\$32,756

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

1998 Full-Time and Part-Time Employees and Earnings¹ by Major Industry²

	Skamania		Snohomish		Spokane	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	2,941	\$22,953	283,165	\$33,512	242,097	\$27,979
Wage and salary employment	2,196	\$23,352	234,008	\$33,438	200,132	\$27,401
Proprietors' employment	745	\$9,817	49,157	\$14,401	41,965	\$14,541
Farm proprietors' employment	86	-\$8,093	1,432	\$4,859	2,137	\$1,928
Nonfarm proprietors' employment	659	\$12,155	47,725	\$14,687	39,828	\$15,218
Farm employment	98	-\$5,520	2,112	\$11,778	2,462	\$4,655
Nonfarm employment	2,843	\$23,935	281,053	\$33,676	239,635	\$28,219
Private employment	2,011	\$19,999	242,709	\$32,828	204,467	\$26,442
Ag. services, forestry, fishing, & other	42	\$7,810	4,383	\$16,098	2,261	\$14,777
Mining	(D)	N/A	245	\$27,220	302	\$65,407
Construction	172	\$30,529	20,130	\$36,065	14,096	\$33,372
Manufacturing	406	\$30,350	67,827	\$54,475	23,820	\$38,359
Transportation and public utilities	94	\$43,734	8,152	\$40,827	9,480	\$45,980
Wholesale trade	(D)	N/A	9,076	\$35,399	13,566	\$34,972
Retail trade	343	\$10,630	48,576	\$17,477	44,175	\$16,388
Finance, insurance, and real estate	123	\$10,984	18,780	\$25,663	20,207	\$24,668
Services	784	\$14,968	65,540	\$22,652	76,560	\$23,989
Government and government enterprises	832	\$33,450	38,344	\$39,040	35,168	\$38,548
Federal, civilian	215	\$47,056	2,322	\$53,050	4,300	\$57,295
Military	36	\$12,806	7,631	\$36,215	5,173	\$38,650
State and local	581	\$29,694	28,391	\$38,654	25,695	\$35,390
State	50	\$34,900	4,801	\$37,773	8,658	\$35,684
Local	531	\$29,203	23,590	\$38,833	17,037	\$35,240

	Stevens		Thurston		Wahkiakum	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	15,898	\$21,914	107,097	\$28,499	1,611	\$18,531
Wage and salary employment	10,721	\$24,005	86,878	\$28,464	932	\$23,356
Proprietors' employment	5,177	\$10,847	20,219	\$14,135	679	\$7,760
Farm proprietors' employment	1,327	\$3,165	1,012	\$8,830	171	\$725
Nonfarm proprietors' employment	3,850	\$13,495	19,207	\$14,414	508	\$10,128
Farm employment	1,389	\$3,948	1,642	\$16,916	178	\$1,348
Nonfarm employment	14,509	\$23,634	105,455	\$28,680	1,433	\$20,665
Private employment	11,937	\$21,993	72,158	\$23,877	1,176	\$18,866
Ag. services, forestry, fishing, & other	264	\$10,864	1,975	\$13,724	195	\$9,938
Mining	95	\$31,137	109	\$29,706	(L)	N/A
Construction	835	\$25,722	5,825	\$31,009	67	\$17,821
Manufacturing	2,617	\$35,773	4,996	\$36,712	304	\$34,612
Transportation and public utilities	620	\$34,066	2,891	\$33,156	53	\$40,151
Wholesale trade	275	\$20,033	2,637	\$32,560	(L)	N/A
Retail trade	2,508	\$12,496	18,257	\$16,891	204	\$9,922
Finance, insurance, and real estate	676	\$12,509	6,385	\$21,048	60	\$13,217
Services	4,047	\$18,576	29,083	\$24,208	286	\$12,388
Government and government enterprises	2,572	\$31,255	33,297	\$39,087	257	\$28,899
Federal, civilian	397	\$49,154	977	\$58,547	14	\$37,214
Military	147	\$12,592	845	\$17,831	14	\$13,000
State and local	2,028	\$29,104	31,475	\$39,054	229	\$29,362
State	335	\$37,761	21,723	\$42,380	11	\$41,364
Local	1,693	\$27,390	9,752	\$31,645	218	\$28,757

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.2

1998 Full-Time and Part-Time Employees and Earnings¹ by Major Industry²

	Walla Walla		Whatcom		Whitman	
	Employment	Earnings/Job	Employment	Earnings/Job	Employment	Earnings/Job
Total full-time and part-time employment	30,481	\$25,227	90,588	26,324	20,943	\$23,391
Wage and salary employment	25,103	\$24,629	70,878	25,230	16,433	\$23,915
Proprietors' employment	5,378	\$13,610	19,710	19,935	4,510	\$7,826
Farm proprietors' employment	1,196	\$7,524	1,687	34,651	1,457	-\$3,283
Nonfarm proprietors' employment	4,182	\$15,351	18,023	18,557	3,053	\$13,128
Farm employment	2,811	\$16,011	3,204	28,763	1,810	\$1,991
Nonfarm employment	27,670	\$26,164	87,384	26,234	19,133	\$25,415
Private employment	22,709	\$23,682	76,071	25,532	10,558	\$18,617
Ag. services, forestry, fishing, & other	1,272	\$11,239	2,473	11,335	296	\$18,264
Mining	(D)	N/A	203	26,640	(D)	N/A
Construction	1,083	\$32,022	7,574	34,845	(D)	N/A
Manufacturing	4,124	\$34,777	10,303	39,213	431	\$40,689
Transportation and public utilities	(D)	N/A	3,316	52,289	568	\$29,234
Wholesale trade	1,145	\$25,934	3,533	32,738	1,025	\$32,460
Retail trade	4,667	\$14,865	17,798	15,617	2,934	\$11,262
Finance, insurance, and real estate	1,447	\$19,405	5,745	23,857	1,030	\$13,440
Services	8,249	\$21,966	25,126	21,365	3,603	\$15,380
Government and government enterprises	4,961	\$37,522	11,313	30,955	8,575	\$33,785
Federal, civilian	883	\$60,820	841	64,855	274	\$54,708
Military	201	\$13,816	605	13,617	161	\$18,646
State and local	3,877	\$33,445	9,867	29,129	8,140	\$33,380
State	1,599	\$37,066	3,565	23,032	6,242	\$35,289
Local	2,278	\$30,903	6,302	32,578	1,898	\$27,102
Yakima						
	Employment	Earnings/Job				
Total full-time and part-time employment	114,609	\$25,194				
Wage and salary employment	94,643	\$23,613				
Proprietors' employment	19,966	\$20,685				
Farm proprietors' employment	4,685	\$32,518				
Nonfarm proprietors' employment	15,281	\$17,057				
Farm employment	16,676	\$23,752				
Nonfarm employment	97,933	\$25,440				
Private employment	83,574	\$23,750				
Ag. services, forestry, fishing, & other	4,144	\$16,146				
Mining	38	\$7,447				
Construction	5,012	\$31,893				
Manufacturing	11,454	\$31,503				
Transportation and public utilities	3,725	\$34,753				
Wholesale trade	7,854	\$29,321				
Retail trade	17,804	\$16,160				
Finance, insurance, and real estate	5,274	\$19,011				
Services	28,269	\$22,969				
Government and government enterprises	14,359	\$35,275				
Federal, civilian	1,433	\$56,318				
Military	893	\$15,770				
State and local	12,033	\$34,217				
State	2,857	\$36,184				
Local	9,176	\$33,604				

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Table 4.3

Personal Income by Major Source and Earnings by Industry², 1998

(Thousands of Dollars)

	Washington	Adams	Asotin	Benton	Chelan
Income by Place of Residence					
Personal income (thousands of dollars)	163,347,867	316,061	443,365	3,310,041	1,483,433
Nonfarm personal income	161,844,699	285,900	446,195	3,204,282	1,392,919
Farm income ³	1,503,168	30,161	-2,830	105,759	90,514
Population (number of persons)	5,687,832	15,339	21,286	136,132	60,169
Per capita personal income (dollars)	28,719	20,605	20,829	24,315	24,654
Derivation of Total Personal Income					
Earnings by place of work	118,132,739	188,812	152,005	2,437,768	1,129,138
Less: Personal cont. for social insurance ⁴	7,190,251	9,012	10,439	141,960	59,930
Plus: Adjustment for residence ⁵	1,941,466	1,069	107,894	28,512	-154,177
Equals: Net earnings by place of residence	112,883,954	180,869	249,460	2,324,320	915,031
Plus: Dividends, interest, and rent ⁶	31,074,079	70,320	101,111	566,040	331,105
Plus: Transfer payments	19,389,834	64,872	92,794	419,681	237,297
Earnings by Place of Work					
Wage and salary disbursements	93,965,890	148,060	114,319	2,026,720	861,955
Other labor income	10,959,783	16,169	13,366	221,751	97,100
Proprietors' income ⁷	13,207,066	24,583	24,320	189,297	170,083
Farm proprietors' income	584,160	3,815	-3,653	34,647	19,366
Nonfarm proprietors' income	12,622,906	20,768	27,973	154,650	150,717
Earnings by Industry					
Farm earnings	1,503,168	30,161	-2,830	105,759	90,514
Nonfarm earnings	116,629,571	158,651	154,835	2,332,009	1,038,624
Private earnings	95,579,875	118,116	122,204	1,891,603	803,648
Ag. serv., forestry, fishing, and other ⁸	1,171,190	5,991	(D)	20,832	35,229
Agricultural services	732,862	5,849	(D)	(D)	34,453
Forestry, fishing, and other ⁸	438,328	142	165	(D)	776
Forestry	20,737	0	(L)	(D)	(D)
Fishing	417,591	142	198	610	(D)
Other ⁸	0	0	0	0	0
Mining	199,458	0	(D)	(D)	(D)
Metal mining	29,073	0	253	0	(D)
Coal mining	(D)	0	0	0	0
Oil and gas extraction	(D)	0	0	0	0
Nonmetallic minerals, except fuels	109,290	0	(D)	(D)	(D)
Construction	7,520,040	5,807	21,999	143,047	95,605
General building contractors	2,116,945	2,113	2,107	27,855	28,697
Heavy construction contractors	971,965	861	8,689	12,577	19,334
Special trade contractors	4,431,130	2,833	11,203	102,615	47,574
Manufacturing	18,811,380	29,916	11,193	191,318	101,565
Durable goods	14,371,484	313	(D)	39,374	72,785
Lumber and wood products	1,605,167	0	7,651	(D)	9,127
Furniture and fixtures	173,800	0	(D)	(D)	0
Stone, clay, and glass products	393,819	(D)	(D)	1,460	762
Primary metal industries	620,091	0	0	18,177	43,092
Fabricated metal products	588,039	0	(D)	3,713	2,767
Industrial machinery and equipment	1,328,492	(D)	391	4,367	4,079

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1998

(Thousands of Dollars)

	Washington	Adams	Asotin	Benton	Chelan
Electronic and other electric equipment	853,036	0	0	1,473	(D)
Motor vehicles and equipment	309,776	0	0	(D)	(L)
Other transportation equipment	7,233,175	0	(D)	(D)	(D)
Instruments and related products	927,198	0	(D)	8,190	(D)
Miscellaneous manufacturing industries	338,891	0	0	403	1,185
Ordinance	(N)	(N)	(N)	(N)	(N)
Nondurable goods	4,439,896	29,603	(D)	151,944	28,780
Food and kindred products	1,392,173	29,028	(D)	77,840	10,730
Tobacco products	0	0	0	0	0
Textile mill products	42,869	0	0	0	0
Apparel and other textile products	193,910	0	(D)	544	(D)
Paper and allied products	890,931	0	(D)	0	(D)
Printing and publishing	967,141	(D)	(D)	10,913	8,160
Chemicals and allied products	463,107	(D)	0	(D)	(D)
Petroleum and coal products	151,388	0	0	0	0
Rubber and misc. plastics products	327,059	(D)	0	(D)	(D)
Leather and leather products	11,318	0	0	0	0
Transportation and public utilities	8,274,255	17,494	8,217	455,288	(D)
Railroad transportation	(D)	694	0	2,946	5,130
Trucking and warehousing	1,406,414	13,393	3,249	10,695	25,498
Water transportation	538,196	0	(D)	(D)	(D)
Other transportation	(D)	450	503	(D)	7,341
Local and interurban passenger transit	169,483	0	360	(D)	1,576
Transportation by air	1,091,991	0	(D)	(D)	3,474
Pipelines, except natural gas	(D)	0	0	0	0
Transportation services	487,222	450	(D)	2,912	2,291
Communications	2,932,408	(D)	1,867	19,774	9,791
Electric, gas, and sanitary services	1,332,183	(D)	(D)	416,617	1,567
Wholesale trade	7,112,417	19,836	5,365	(D)	72,360
Retail trade	10,483,255	15,301	23,834	188,929	131,642
Building materials and garden equipment	666,351	804	2,161	9,298	13,431
General merchandise stores	1,062,353	(D)	(D)	31,082	13,851
Food stores	1,772,192	3,499	4,304	31,091	23,083
Automotive dealers and service stations	1,681,368	3,679	2,635	30,303	21,739
Apparel and accessory stores	600,090	(D)	(L)	5,867	2,236
Home furniture and furnishings stores	670,844	408	(D)	9,170	8,165
Eating and drinking places	2,526,992	4,062	5,256	45,868	28,781
Miscellaneous retail	1,503,065	2,239	4,179	26,250	20,356
Finance, insurance, and real estate	7,721,862	4,333	4,797	64,192	50,767
Depository & non-depository institutions	2,217,962	1,687	(D)	19,437	16,963
Other finance, insurance, & real estate	5,503,900	2,646	(D)	44,755	33,804
Security & commodity brokers	808,590	(D)	(D)	6,583	2,847
Insurance carriers	1,468,581	(D)	(D)	5,842	3,815
Insurance agents, brokers, and service	831,808	1,613	1,195	6,556	6,691
Real estate	2,095,225	798	1,892	24,719	20,086

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1998

(Thousands of Dollars)

	Washington	Adams	Asotin	Benton	Chelan
Combined real estate, insurance, etc.	(N)	(N)	(N)	(N)	(N)
Holding and other investment offices	299,696	(D)	51	1,055	365
Services	34,286,018	19,438	45,369	773,096	264,575
Hotels and other lodging places	685,617	861	2,131	9,028	13,930
Personal services	868,359	538	2,740	13,847	6,590
Private households	(D)	(D)	505	(D)	(D)
Business services	12,754,916	617	4,018	106,329	20,956
Auto repair, services, and parking	963,564	1,577	1,571	13,935	8,213
Miscellaneous repair services	386,993	809	954	5,560	3,615
Amusement and recreation services	986,897	446	1,764	10,898	6,124
Motion pictures	188,421	181	266	1,560	665
Health services	8,435,333	7,806	20,655	121,358	141,768
Legal services	1,641,837	458	(D)	15,237	13,277
Educational services	810,163	(D)	(D)	10,832	1,972
Social services	1,093,468	1,424	2,604	20,942	12,146
Museums, botanical, zoological gardens	(D)	0	0	269	61
Membership organizations	1,105,788	2,234	2,887	19,272	9,882
Engineering and management services	3,687,634	978	1,367	415,480	15,385
Miscellaneous services	441,480	183	2,248	(D)	(D)
Government and government enterprises	21,049,696	40,535	32,631	440,406	234,976
Federal, civilian	4,031,769	2,244	3,706	65,675	38,746
Military	2,760,698	719	997	6,889	2,861
State and local	14,257,229	37,572	27,928	367,842	193,369
State	4,587,982	2,760	4,377	35,539	42,474
Local	9,669,247	34,812	23,551	332,303	150,895

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1998

(Thousands of Dollars)

	Clallam	Clark	Columbia	Cowlitz	Douglas
Income by Place of Residence					
Personal income (thousands of dollars)	1,464,536	8,801,580	84,036	1,997,357	640,819
Nonfarm personal income	1,462,151	8,789,123	78,049	1,990,293	621,367
Farm income ³	2,385	12,457	5,987	7,064	19,452
Population (number of persons)	64,273	327,418	4,158	91,409	33,600
Per capita personal income (dollars)	22,786	26,882	20,211	21,851	19,072
Derivation of Total Personal Income					
Earnings by place of work	706,616	4,554,493	48,838	1,381,105	225,361
Less: Personal cont. for social insurance ⁴	42,861	283,795	2,336	90,227	13,392
Plus: Adjustment for residence ⁵	4,916	1,831,389	-2,340	-37,318	182,538
Equals: Net earnings by place of residence	668,671	6,102,087	44,162	1,253,560	394,507
Plus: Dividends, interest, and rent ⁶	485,842	1,739,014	21,981	363,379	137,934
Plus: Transfer payments	310,023	960,479	17,893	380,418	108,378
Earnings by Place of Work					
Wage and salary disbursements	516,378	3,511,423	34,938	1,126,479	188,681
Other labor income	65,771	411,213	5,134	126,547	21,343
Proprietors' income ⁷	124,467	631,857	8,766	128,079	15,337
Farm proprietors' income	1,088	7,844	3,770	1,440	-9,345
Nonfarm proprietors' income	123,379	624,013	4,996	126,639	24,682
Earnings by Industry					
Farm earnings	2,385	12,457	5,987	7,064	19,452
Nonfarm earnings	704,231	4,542,036	42,851	1,374,041	205,909
Private earnings	494,915	3,796,764	27,018	1,176,444	140,651
Ag. serv., forestry, fishing, and other ⁸	(D)	22,671	1,083	10,600	15,563
Agricultural services	(D)	18,944	(D)	(D)	15,151
Forestry, fishing, and other ⁸	19,089	3,727	(D)	(D)	412
Forestry	3,471	(D)	(D)	3,285	(D)
Fishing	15,618	(D)	(D)	(D)	(D)
Other ⁸	0	0	0	0	0
Mining	(D)	20,563	(D)	13,055	269
Metal mining	(L)	(D)	0	(D)	0
Coal mining	0	0	0	0	0
Oil and gas extraction	0	0	0	0	0
Nonmetallic minerals, except fuels	(D)	(D)	(D)	(D)	269
Construction	59,051	528,343	3,505	126,993	18,611
General building contractors	17,662	115,271	(D)	29,606	5,711
Heavy construction contractors	7,298	75,490	(D)	15,989	3,753
Special trade contractors	34,091	337,582	2,344	81,398	9,147
Manufacturing	84,374	944,602	(D)	468,514	8,635
Durable goods	52,930	636,826	1,778	187,351	(D)
Lumber and wood products	40,162	44,385	(D)	103,880	(D)
Furniture and fixtures	(D)	1,353	0	(D)	0
Stone, clay, and glass products	4,368	15,782	(D)	1,622	(D)
Primary metal industries	0	(D)	0	(D)	(D)
Fabricated metal products	(D)	47,178	(D)	2,854	(D)
Industrial machinery and equipment	522	254,467	0	26,523	(D)

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1998

(Thousands of Dollars)

	Ciallam	Clark	Columbia	Cowlitz	Douglas
Electronic and other electric equipment	0	201,926	0	2,007	0
Motor vehicles and equipment	(D)	(D)	0	0	0
Other transportation equipment	(D)	(D)	(D)	453	0
Instruments and related products	0	17,424	0	(D)	0
Miscellaneous manufacturing industries	718	6,103	0	7,279	0
Ordnance	(N)	(N)	(N)	(N)	(N)
Nondurable goods	31,444	307,776	(D)	281,163	(D)
Food and kindred products	1,622	(D)	(D)	11,111	(D)
Tobacco products	0	0	0	0	0
Textile mill products	(D)	18,338	0	0	0
Apparel and other textile products	159	10,349	0	(D)	0
Paper and allied products	(D)	152,001	0	232,122	0
Printing and publishing	5,391	23,214	(D)	10,573	(D)
Chemicals and allied products	(D)	23,318	0	24,203	0
Petroleum and coal products	0	0	0	(D)	0
Rubber and misc. plastics products	(D)	33,401	0	2,363	0
Leather and leather products	0	(D)	0	0	0
Transportation and public utilities	34,472	317,850	2,837	78,090	12,835
Railroad transportation	0	37,200	(L)	7,256	404
Trucking and warehousing	16,694	81,994	(D)	34,518	9,344
Water transportation	3,219	25,192	(D)	(D)	(L)
Other transportation	6,976	24,604	(D)	(D)	2,841
Local and interurban passenger transit	2,099	(D)	(D)	(D)	(D)
Transportation by air	3,305	(D)	0	(D)	(D)
Pipelines, except natural gas	0	0	0	0	0
Transportation services	1,572	13,706	0	1,775	(D)
Communications	4,862	131,765	156	6,426	(D)
Electric, gas, and sanitary services	2,721	17,095	(D)	8,667	(D)
Wholesale trade	18,709	248,976	1,666	45,593	10,756
Retail trade	89,533	440,097	2,994	139,376	31,170
Building materials and garden equipment	6,895	25,336	(D)	6,164	832
General merchandise stores	12,368	39,677	(D)	17,622	6,804
Food stores	22,392	88,620	876	29,572	5,119
Automotive dealers and service stations	13,739	75,172	(D)	28,771	4,048
Apparel and accessory stores	1,399	11,133	(D)	1,345	1,493
Home furniture and furnishings stores	4,205	17,050	(D)	7,244	2,464
Eating and drinking places	18,882	102,913	(D)	34,688	7,389
Miscellaneous retail	9,653	80,196	(D)	13,970	3,021
Finance, insurance, and real estate	33,807	277,974	1,094	46,129	7,467
Depository & non-depository institutions	(D)	91,239	570	20,287	(D)
Other finance, insurance, & real estate	(D)	186,735	524	25,842	(D)
Security & commodity brokers	2,395	6,826	0	808	0
Insurance carriers	3,447	39,252	0	3,609	(D)
Insurance agents, brokers, and service	3,279	29,548	(D)	6,702	835
Real estate	14,213	99,274	(D)	13,191	3,050

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1998

(Thousands of Dollars)

	Clallam	Clark	Columbia	Cowlitz	Douglas
Combined real estate, insurance, etc.	(N)	(N)	(N)	(N)	(N)
Holding and other investment offices	(D)	11,835	(L)	1,532	(D)
Services	151,437	995,688	(D)	248,094	35,345
Hotels and other lodging places	7,556	41,132	130	4,804	(D)
Personal services	5,968	43,260	(D)	7,709	2,644
Private households	(D)	(D)	77	(D)	(D)
Business services	11,715	197,141	150	32,410	2,816
Auto repair, services, and parking	7,163	45,676	167	10,335	2,721
Miscellaneous repair services	3,927	19,670	(D)	5,233	1,141
Amusement and recreation services	7,530	24,192	(D)	4,142	2,773
Motion pictures	680	4,350	(D)	779	(D)
Health services	52,113	370,980	563	121,645	10,687
Legal services	4,342	38,722	(D)	11,563	(D)
Educational services	1,305	13,852	(L)	4,228	509
Social services	8,533	46,998	(D)	12,003	1,627
Museums, botanical, zoological gardens	(L)	187	0	(D)	0
Membership organizations	23,506	41,470	(D)	12,839	3,642
Engineering and management services	11,679	92,071	75	14,543	3,232
Miscellaneous services	(D)	(D)	156	(D)	(D)
Government and government enterprises	209,316	745,272	15,833	197,597	65,258
Federal, civilian	23,114	170,011	3,326	14,235	9,540
Military	13,935	15,867	195	4,341	1,578
State and local	172,267	559,394	12,312	179,021	54,140
State	50,754	99,343	833	33,812	2,931
Local	121,513	460,051	11,479	145,209	51,209

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1998

(Thousands of Dollars)

	Ferry	Franklin	Garfield	Grant	Grays Harbor
Income by Place of Residence					
Personal income (thousands of dollars)	114,833	859,482	44,701	1,434,593	1,361,788
Nonfarm personal income	112,478	743,362	44,389	1,222,768	1,351,891
Farm income ³	2,355	116,120	312	211,825	9,897
Population (number of persons)	7,163	46,511	2,317	70,667	67,463
Per capita personal income (dollars)	16,031	18,479	19,293	20,301	20,186
Derivation of Total Personal Income					
Earnings by place of work	64,150	678,414	22,873	980,623	802,126
Less: Personal cont. for social insurance ⁴	3,186	32,887	966	44,156	50,256
Plus: Adjustment for residence ⁵	2,737	-91,832	-1,411	-23,417	11,132
Equals: Net earnings by place of residence	63,701	553,695	20,496	913,050	763,002
Plus: Dividends, interest, and rent ⁶	21,984	139,582	14,959	265,371	271,661
Plus: Transfer payments	29,148	166,205	9,246	256,172	327,125
Earnings by Place of Work					
Wage and salary disbursements	43,562	517,877	17,665	692,028	626,950
Other labor income	7,555	58,608	3,589	78,807	73,087
Proprietors' income ⁷	13,033	101,929	1,619	209,788	102,089
Farm proprietors' income	2,291	53,529	-1,029	118,394	7,465
Nonfarm proprietors' income	10,742	48,400	2,648	91,394	94,624
Earnings by Industry					
Farm earnings	2,355	116,120	312	211,825	9,897
Nonfarm earnings	61,795	562,294	22,561	768,798	792,229
Private earnings	39,565	422,216	9,758	559,148	624,041
Ag. serv., forestry, fishing, and other ⁸	661	18,188	(D)	25,418	14,033
Agricultural services	95	17,698	(D)	24,438	(D)
Forestry, fishing, and other ⁸	566	490	(L)	980	(D)
Forestry	448	(L)	0	(D)	(D)
Fishing	118	468	(L)	(D)	11,085
Other ⁸	0	0	0	0	0
Mining	(D)	1,075	0	(D)	(D)
Metal mining	(D)	0	0	253	(L)
Coal mining	0	0	0	0	0
Oil and gas extraction	0	0	0	0	0
Nonmetallic minerals, except fuels	269	1,075	0	(D)	(D)
Construction	3,538	42,610	(D)	53,882	50,344
General building contractors	1,012	4,215	492	10,001	15,744
Heavy construction contractors	1,089	7,115	(D)	10,829	12,906
Special trade contractors	1,437	31,280	(D)	33,052	21,694
Manufacturing	(D)	56,023	(D)	162,950	195,130
Durable goods	(D)	11,148	0	56,054	143,308
Lumber and wood products	7,325	3,214	0	291	105,669
Furniture and fixtures	0	(D)	0	(D)	0
Stone, clay, and glass products	(D)	(D)	0	1,422	(D)
Primary metal industries	0	(D)	0	28,307	(D)
Fabricated metal products	0	(D)	0	(D)	(D)
Industrial machinery and equipment	(D)	1,273	0	2,845	24,845

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1998

(Thousands of Dollars)

	Ferry	Franklin	Garfield	Grant	Grays Harbor
Electronic and other electric equipment	0	(D)	0	(D)	(D)
Motor vehicles and equipment	0	0	0	(D)	0
Other transportation equipment	0	(D)	0	(D)	9,282
Instruments and related products	0	(D)	0	(D)	0
Miscellaneous manufacturing industries	0	(D)	0	0	679
Ordnance	(N)	(N)	(N)	(N)	(N)
Nondurable goods	(D)	44,875	(D)	106,896	51,822
Food and kindred products	0	43,569	0	86,574	9,470
Tobacco products	0	0	0	0	0
Textile mill products	0	0	0	0	0
Apparel and other textile products	0	(L)	0	80	0
Paper and allied products	0	0	0	(D)	30,023
Printing and publishing	(D)	785	(D)	10,633	(D)
Chemicals and allied products	0	(D)	0	(D)	9,395
Petroleum and coal products	0	0	0	0	0
Rubber and misc. plastics products	0	(D)	0	0	(D)
Leather and leather products	0	0	0	0	0
Transportation and public utilities	1,971	56,654	(D)	52,134	45,903
Railroad transportation	0	22,932	0	2,189	832
Trucking and warehousing	680	16,074	(D)	29,809	21,214
Water transportation	(D)	(L)	(D)	(D)	(D)
Other transportation	(L)	8,112	0	(D)	(D)
Local and interurban passenger transit	0	(D)	0	(D)	(D)
Transportation by air	0	5,268	0	5,450	(D)
Pipelines, except natural gas	0	(D)	0	(D)	0
Transportation services	(L)	1,398	0	360	1,469
Communications	(D)	3,179	0	12,605	11,389
Electric, gas, and sanitary services	(D)	6,335	(D)	789	3,233
Wholesale trade	(D)	55,725	4,043	46,942	22,761
Retail trade	5,281	56,416	1,201	87,901	100,080
Building materials and garden equipment	(D)	2,032	(D)	9,926	4,863
General merchandise stores	(D)	2,051	0	6,493	9,041
Food stores	1,278	10,179	(D)	20,755	25,276
Automotive dealers and service stations	881	23,992	74	17,313	19,433
Apparel and accessory stores	(D)	660	0	1,543	3,744
Home furniture and furnishings stores	(D)	1,239	(D)	3,063	3,938
Eating and drinking places	1,330	11,125	(D)	19,259	23,468
Miscellaneous retail	1,033	5,138	(D)	9,549	10,317
Finance, insurance, and real estate	1,378	11,499	680	(D)	(D)
Depository & non-depository institutions	(D)	(D)	(D)	(D)	12,517
Other finance, insurance, & real estate	(D)	(D)	(D)	11,613	(D)
Security & commodity brokers	0	(L)	0	(D)	(D)
Insurance carriers	(D)	(D)	0	1,416	4,419
Insurance agents, brokers, and service	(D)	1,330	(D)	3,875	2,829
Real estate	886	4,803	84	5,654	11,461

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1998

(Thousands of Dollars)

	Ferry	Franklin	Garfield	Grant	Grays Harbor
Combined real estate, insurance, etc.	(N)	(N)	(N)	(N)	(N)
Holding and other investment offices	(L)	(D)	(L)	(D)	(D)
Services	(D)	124,026	1,790	108,274	159,496
Hotels and other lodging places	693	(D)	61	4,699	13,087
Personal services	217	1,793	(D)	3,899	4,516
Private households	(D)	(D)	(D)	(D)	(D)
Business services	(D)	18,031	(D)	7,645	14,292
Auto repair, services, and parking	(D)	11,932	(D)	6,199	5,886
Miscellaneous repair services	(L)	4,948	(D)	2,708	3,622
Amusement and recreation services	(D)	1,224	(L)	3,140	2,771
Motion pictures	(D)	161	0	449	312
Health services	(D)	53,538	364	32,612	64,357
Legal services	160	2,869	(D)	6,193	8,653
Educational services	(L)	2,971	(L)	1,437	1,070
Social services	99	7,190	(D)	14,361	7,207
Museums, botanical, zoological gardens	0	(D)	0	(D)	212
Membership organizations	(D)	7,072	(D)	10,178	22,040
Engineering and management services	287	4,635	63	9,212	5,745
Miscellaneous services	122	(D)	241	(D)	(D)
Government and government enterprises	22,230	140,078	12,803	209,650	168,188
Federal, civilian	7,402	27,906	6,010	15,795	11,446
Military	337	2,179	109	3,589	4,505
State and local	14,491	109,993	6,684	190,266	152,237
State	1,015	31,713	656	24,766	25,743
Local	13,476	78,280	6,028	165,500	126,494

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1998

(Thousands of Dollars)

	Island	Jefferson	King	Kitsap	Kittitas
Income by Place of Residence					
Personal income (thousands of dollars)	1,703,516	621,610	67,670,660	5,347,492	635,617
Nonfarm personal income	1,699,686	619,362	67,631,206	5,345,733	621,343
Farm income ³	3,830	2,248	39,454	1,759	14,274
Population (number of persons)	71,747	26,275	1,654,329	232,933	31,403
Per capita personal income (dollars)	23,743	23,658	40,905	22,957	20,241
Derivation of Total Personal Income					
Earnings by place of work	865,738	239,138	60,095,932	3,422,444	371,267
Less: Personal cont. for social insurance ⁴	40,194	14,761	3,889,989	137,499	17,427
Plus: Adjustment for residence ⁵	179,552	67,146	-6,163,222	171,516	25,649
Equals: Net earnings by place of residence	1,005,096	291,523	50,042,721	3,456,461	379,489
Plus: Dividends, interest, and rent ⁶	488,484	209,980	12,217,629	1,230,208	149,544
Plus: Transfer payments	209,936	120,107	5,410,310	660,823	106,584
Earnings by Place of Work					
Wage and salary disbursements	590,628	169,142	48,401,198	2,529,682	261,177
Other labor income	174,967	21,751	4,844,838	624,888	35,547
Proprietors' income ⁷	100,143	48,245	6,849,896	267,874	74,543
Farm proprietors' income	1,950	1,683	10,606	929	4,006
Nonfarm proprietors' income	98,193	46,562	6,839,290	266,945	70,537
Earnings by Industry					
Farm earnings	3,830	2,248	39,454	1,759	14,274
Nonfarm earnings	861,908	236,890	60,056,478	3,420,685	356,993
Private earnings	325,662	174,316	53,667,672	1,458,643	223,569
Ag. serv., forestry, fishing, and other ⁸	5,098	5,590	526,978	26,767	3,970
Agricultural services	2,446	(D)	303,245	12,208	(D)
Forestry, fishing, and other ⁸	2,652	(D)	223,733	14,559	(D)
Forestry	(D)	(D)	-23,786	1,445	(D)
Fishing	(D)	4,470	247,519	13,114	191
Other ⁸	0	0	0	0	0
Mining	(D)	(D)	34,620	2,262	267
Metal mining	(L)	0	(D)	(L)	(L)
Coal mining	0	0	14,475	0	0
Oil and gas extraction	0	4,910	(D)	0	0
Nonmetallic minerals, except fuels	(D)	(D)	23,910	2,259	237
Construction	57,418	24,495	3,209,786	181,315	21,070
General building contractors	26,510	9,049	1,011,175	46,078	8,886
Heavy construction contractors	3,568	3,261	350,297	10,173	2,315
Special trade contractors	27,340	12,185	1,848,314	125,064	9,869
Manufacturing	27,194	35,063	8,795,157	76,193	31,025
Durable goods	26,172	(D)	7,070,045	41,425	(D)
Lumber and wood products	(D)	2,624	415,408	5,696	8,355
Furniture and fixtures	(D)	(D)	98,180	3,419	(D)
Stone, clay, and glass products	722	(D)	167,007	5,900	(D)
Primary metal industries	0	(D)	60,156	0	0
Fabricated metal products	(D)	(D)	269,245	6,785	(D)
Industrial machinery and equipment	2,107	652	(D)	866	2,280

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1998

(Thousands of Dollars)

	Island	Jefferson	King	Kitsap	Kittitas
Electronic and other electric equipment	(D)	(D)	403,802	672	0
Motor vehicles and equipment	(D)	0	225,267	(D)	0
Other transportation equipment	(D)	1,926	(D)	(D)	(D)
Instruments and related products	(D)	(D)	426,566	5,285	0
Miscellaneous manufacturing industries	(D)	562	250,253	(D)	(D)
Ordnance	(N)	(N)	(N)	(N)	(N)
Nondurable goods	1,022	(D)	1,725,112	34,768	(D)
Food and kindred products	(D)	265	607,261	(D)	(D)
Tobacco products	0	0	0	0	0
Textile mill products	(D)	0	(D)	0	0
Apparel and other textile products	(D)	381	102,591	8,818	0
Paper and allied products	0	(D)	116,743	(D)	0
Printing and publishing	370	(D)	560,187	22,395	(D)
Chemicals and allied products	0	0	216,281	0	0
Petroleum and coal products	(D)	0	(D)	0	0
Rubber and misc. plastics products	(D)	0	100,630	3,266	0
Leather and leather products	(D)	0	5,177	0	0
Transportation and public utilities	21,827	9,390	5,067,246	67,796	34,221
Railroad transportation	1,579	107	105,232	0	829
Trucking and warehousing	3,354	2,394	551,726	17,428	21,856
Water transportation	347	775	347,348	2,341	(L)
Other transportation	3,225	1,184	(D)	12,825	2,669
Local and interurban passenger transit	(D)	(D)	106,237	5,479	(D)
Transportation by air	(D)	(D)	905,162	4,565	(D)
Pipelines, except natural gas	0	0	(D)	0	0
Transportation services	372	493	360,599	2,781	1,094
Communications	10,116	1,069	2,134,065	22,200	6,376
Electric, gas, and sanitary services	3,206	3,861	(D)	13,002	2,476
Wholesale trade	(D)	(D)	4,519,626	45,545	16,999
Retail trade	62,688	27,587	4,695,729	288,169	49,586
Building materials and garden equipment	6,246	3,465	283,630	15,649	3,542
General merchandise stores	2,718	78	468,673	36,209	1,334
Food stores	13,587	7,403	642,210	54,507	9,348
Automotive dealers and service stations	8,826	3,248	586,456	55,683	10,515
Apparel and accessory stores	908	(D)	429,508	7,290	675
Home furniture and furnishings stores	2,770	(D)	321,388	12,850	2,283
Eating and drinking places	14,466	8,168	1,237,740	68,729	16,942
Miscellaneous retail	13,167	3,440	726,124	37,252	4,947
Finance, insurance, and real estate	39,297	8,820	4,788,481	119,866	9,855
Depository & non-depository institutions	18,842	(D)	1,249,249	42,776	2,500
Other finance, insurance, & real estate	20,455	(D)	3,539,232	77,090	7,355
Security & commodity brokers	141	0	561,101	6,417	(D)
Insurance carriers	2,870	1,060	1,006,665	17,492	(D)
Insurance agents, brokers, and service	4,177	(D)	533,212	11,163	1,394
Real estate	12,625	4,548	1,222,708	40,404	4,646

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1998

(Thousands of Dollars)

	Island	Jefferson	King	Kitsap	Kittitas
Combined real estate, insurance, etc.	(N)	(N)	(N)	(N)	(N)
Holding and other investment offices	642	(L)	215,546	1,614	(D)
Services	104,031	51,495	22,030,049	650,730	56,576
Hotels and other lodging places	3,584	5,182	360,538	6,561	3,243
Personal services	4,583	2,235	445,973	17,901	3,106
Private households	2,418	(D)	90,224	(D)	1,173
Business services	19,018	11,610	10,996,395	120,363	8,051
Auto repair, services, and parking	3,060	2,581	474,383	23,019	2,970
Miscellaneous repair services	2,185	1,524	183,113	5,867	608
Amusement and recreation services	3,957	1,295	571,374	21,184	1,723
Motion pictures	1,097	621	134,307	2,836	653
Health services	24,886	9,959	3,749,655	226,936	19,184
Legal services	3,436	504	1,156,925	17,169	2,364
Educational services	4,629	1,566	420,770	11,110	1,142
Social services	6,031	6,750	462,389	27,454	3,959
Museums, botanical, zoological gardens	(D)	67	22,890	641	126
Membership organizations	7,416	3,328	376,307	36,815	4,541
Engineering and management services	12,160	2,389	2,316,859	119,982	1,635
Miscellaneous services	(D)	(D)	267,947	(D)	2,098
Government and government enterprises	536,246	62,574	6,388,806	1,962,042	133,424
Federal, civilian	60,618	9,521	1,340,650	971,730	8,640
Military	379,606	1,651	149,934	609,756	2,476
State and local	96,022	51,402	4,898,222	380,556	122,308
State	12,168	7,946	1,642,914	74,993	72,723
Local	83,854	43,456	3,255,308	305,563	49,585

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1998

(Thousands of Dollars)

	Klickitat	Lewis	Lincoln	Mason	Okanogan
Income by Place of Residence					
Personal income (thousands of dollars)	378,208	1,359,751	207,715	957,673	751,390
Nonfarm personal income	368,930	1,332,222	203,463	956,851	701,745
Farm income ³	9,278	27,529	4,252	822	49,645
Population (number of persons)	19,361	68,094	9,766	49,826	38,286
Per capita personal income (dollars)	19,535	19,969	21,269	19,220	19,626
Derivation of Total Personal Income					
Earnings by place of work	216,833	851,311	89,895	428,671	465,547
Less: Personal cont. for social insurance ⁴	12,499	52,535	4,658	25,778	22,138
Plus: Adjustment for residence ⁵	-3,662	-11,803	9,680	104,584	-14,083
Equals: Net earnings by place of residence	200,672	786,973	94,917	507,477	429,326
Plus: Dividends, interest, and rent ⁶	101,218	272,513	70,750	238,937	147,510
Plus: Transfer payments	76,318	300,265	42,048	211,259	174,554
Earnings by Place of Work					
Wage and salary disbursements	167,380	655,528	70,356	321,357	350,291
Other labor income	22,352	75,168	9,724	38,059	47,740
Proprietors' income ⁷	27,101	120,615	9,815	69,255	67,516
Farm proprietors' income	794	21,196	-1,603	-122	4,697
Nonfarm proprietors' income	26,307	99,419	11,418	69,377	62,819
Earnings by Industry					
Farm earnings	9,278	27,529	4,252	822	49,645
Nonfarm earnings	207,555	823,782	85,643	427,849	415,902
Private earnings	155,065	659,086	50,115	307,985	272,166
Ag. serv., forestry, fishing, and other ⁸	5,584	14,971	3,145	9,027	12,599
Agricultural services	(D)	3,895	3,007	3,047	10,765
Forestry, fishing, and other ⁸	(D)	11,076	138	5,980	1,834
Forestry	(D)	8,737	130	3,070	(D)
Fishing	482	2,339	(L)	2,910	(D)
Other ⁸	0	0	0	0	0
Mining	693	(D)	0	(D)	2,691
Metal mining	65	(L)	0	0	(D)
Coal mining	0	(D)	0	0	0
Oil and gas extraction	0	(D)	0	5,882	0
Nonmetallic minerals, except fuels	628	3,467	0	(D)	(D)
Construction	15,883	57,375	3,540	45,457	23,739
General building contractors	4,293	12,538	(D)	(D)	8,488
Heavy construction contractors	4,777	21,579	(D)	(D)	2,602
Special trade contractors	6,813	23,258	2,205	25,813	12,649
Manufacturing	59,308	148,344	1,904	84,580	36,288
Durable goods	58,757	125,084	797	75,542	33,255
Lumber and wood products	16,465	100,388	797	65,922	32,134
Furniture and fixtures	(D)	1,391	0	(D)	0
Stone, clay, and glass products	452	2,038	0	(D)	808
Primary metal industries	(D)	(D)	0	(D)	0
Fabricated metal products	0	3,939	0	(D)	(D)
Industrial machinery and equipment	(D)	2,476	0	(D)	82

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1998

(Thousands of Dollars)

	Klickitat	Lewis	Lincoln	Mason	Okanogan
Electronic and other electric equipment	(D)	(D)	0	(D)	0
Motor vehicles and equipment	0	(D)	0	0	0
Other transportation equipment	(D)	(D)	0	(D)	(D)
Instruments and related products	0	0	0	(D)	0
Miscellaneous manufacturing industries	(D)	1,852	0	(D)	0
Ordnance	(N)	(N)	(N)	(N)	(N)
Nondurable goods	551	23,260	1,107	9,038	3,033
Food and kindred products	240	12,238	(D)	7,416	360
Tobacco products	0	0	0	0	0
Textile mill products	0	(D)	0	0	0
Apparel and other textile products	(D)	3,322	(D)	311	(D)
Paper and allied products	0	0	0	(D)	0
Printing and publishing	(D)	5,309	247	931	2,650
Chemicals and allied products	(D)	(D)	0	0	(D)
Petroleum and coal products	0	0	0	0	0
Rubber and misc. plastics products	(D)	837	0	(D)	0
Leather and leather products	0	(D)	0	0	0
Transportation and public utilities	31,755	63,129	5,218	(D)	16,373
Railroad transportation	10,629	4,467	1,522	472	647
Trucking and warehousing	7,758	31,218	577	9,818	4,892
Water transportation	(D)	(D)	0	(D)	0
Other transportation	1,057	(D)	(D)	2,645	2,937
Local and interurban passenger transit	(L)	637	0	(D)	(D)
Transportation by air	(D)	(D)	(D)	(D)	(D)
Pipelines, except natural gas	0	0	0	0	0
Transportation services	(D)	3,143	(L)	(D)	630
Communications	1,165	5,752	(D)	2,683	4,051
Electric, gas, and sanitary services	(D)	16,211	(D)	3,986	3,846
Wholesale trade	3,006	30,489	9,817	10,434	26,368
Retail trade	11,860	132,818	7,576	45,108	50,271
Building materials and garden equipment	(D)	10,629	(D)	6,185	4,609
General merchandise stores	250	30,132	65	(D)	(D)
Food stores	3,279	23,943	2,042	13,072	13,910
Automotive dealers and service stations	2,355	23,044	1,867	5,878	9,201
Apparel and accessory stores	(D)	3,629	(D)	(D)	922
Home furniture and furnishings stores	(D)	6,114	(D)	818	(D)
Eating and drinking places	2,788	22,437	1,793	10,655	8,455
Miscellaneous retail	2,267	12,890	1,224	4,044	8,401
Finance, insurance, and real estate	7,175	(D)	3,366	17,263	10,477
Depository & non-depository institutions	1,645	9,026	2,093	(D)	(D)
Other finance, insurance, & real estate	5,530	(D)	1,273	(D)	(D)
Security & commodity brokers	(D)	(D)	(L)	(D)	(D)
Insurance carriers	(D)	4,968	0	2,435	(D)
Insurance agents, brokers, and service	2,427	3,127	(D)	1,067	712
Real estate	2,330	8,371	(D)	6,454	4,966

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1998

(Thousands of Dollars)

	Klickitat	Lewis	Lincoln	Mason	Okanogan
Combined real estate, insurance, etc.	(N)	(N)	(N)	(N)	(N)
Holding and other investment offices	119	(D)	95	(D)	(D)
Services	19,801	148,989	15,549	69,708	93,360
Hotels and other lodging places	519	3,344	(D)	4,352	6,705
Personal services	705	4,127	174	2,520	2,731
Private households	1,017	(D)	438	(D)	(D)
Business services	2,186	21,434	(D)	4,156	6,488
Auto repair, services, and parking	594	5,533	355	5,220	3,628
Miscellaneous repair services	358	2,900	237	1,139	965
Amusement and recreation services	379	2,834	(D)	9,233	(D)
Motion pictures	86	426	0	302	388
Health services	6,361	78,657	3,689	17,609	28,505
Legal services	652	4,422	1,358	2,097	1,997
Educational services	(D)	628	(L)	(D)	(D)
Social services	1,435	5,407	380	5,254	2,566
Museums, botanical, zoological gardens	(D)	(D)	0	0	0
Membership organizations	2,171	8,140	1,151	11,152	(D)
Engineering and management services	1,634	5,479	(D)	2,343	3,309
Miscellaneous services	(D)	(D)	399	1,011	(D)
Government and government enterprises	52,490	164,696	35,528	119,864	143,736
Federal, civilian	6,056	16,723	3,470	5,387	50,633
Military	905	3,198	456	2,340	1,795
State and local	45,529	144,775	31,602	112,137	91,308
State	6,665	39,387	2,880	38,567	10,488
Local	38,864	105,388	28,722	73,570	80,820

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1998

(Thousands of Dollars)

	Pacific	Pend Oreille	Pierce	San Juan	Skagit
Income by Place of Residence					
Personal income (thousands of dollars)	420,003	205,261	16,561,189	446,268	2,393,139
Nonfarm personal income	407,072	203,747	16,529,900	446,754	2,305,914
Farm income ³	12,931	1,514	31,289	-486	87,225
Population (number of persons)	20,855	11,523	675,962	12,545	99,389
Per capita personal income (dollars)	20,139	17,813	24,500	35,573	24,079
Derivation of Total Personal Income					
Earnings by place of work	199,725	97,360	9,538,553	163,357	1,422,541
Less: Personal cont. for social insurance ⁴	11,964	5,400	540,860	10,284	82,079
Plus: Adjustment for residence ⁵	11,749	10,338	2,305,839	19,052	73,651
Equals: Net earnings by place of residence	199,510	102,298	11,303,532	172,125	1,414,113
Plus: Dividends, interest, and rent ⁶	107,998	49,086	2,941,421	227,753	586,060
Plus: Transfer payments	112,495	53,877	2,316,236	46,390	392,966
Earnings by Place of Work					
Wage and salary disbursements	136,782	66,805	7,519,836	104,194	1,048,298
Other labor income	17,387	9,735	1,148,571	11,647	118,519
Proprietors' income ⁷	45,556	20,820	870,146	47,516	255,724
Farm proprietors' income	11,827	998	12,334	-669	37,251
Nonfarm proprietors' income	33,729	19,822	857,812	48,185	218,473
Earnings by Industry					
Farm earnings	12,931	1,514	31,289	-486	87,225
Nonfarm earnings	186,794	95,846	9,507,264	163,843	1,335,316
Private earnings	131,632	64,104	6,588,585	134,600	1,056,930
Ag. serv., forestry, fishing, and other ⁸	9,587	154	63,434	2,946	36,870
Agricultural services	641	(D)	41,228	(D)	10,308
Forestry, fishing, and other ⁸	8,946	(D)	22,206	(D)	26,562
Forestry	98	(D)	6,663	(D)	2,674
Fishing	8,848	89	15,543	2,099	23,888
Other ⁸	0	0	0	0	0
Mining	1,390	(D)	8,238	(D)	(D)
Metal mining	0	0	(D)	0	(L)
Coal mining	0	0	0	0	0
Oil and gas extraction	0	0	(D)	2,466	0
Nonmetallic minerals, except fuels	1,390	(D)	8,190	(D)	(D)
Construction	7,582	4,975	661,029	31,104	136,248
General building contractors	2,510	411	163,134	12,503	31,029
Heavy construction contractors	539	1,022	112,824	1,759	25,316
Special trade contractors	4,533	3,542	385,071	16,842	79,903
Manufacturing	41,973	30,462	1,126,577	8,244	202,511
Durable goods	33,304	(D)	721,260	7,209	99,810
Lumber and wood products	32,950	10,310	172,759	2,736	26,103
Furniture and fixtures	(D)	0	29,912	0	2,579
Stone, clay, and glass products	(D)	(D)	57,569	(D)	8,422
Primary metal industries	0	0	41,822	0	(D)
Fabricated metal products	0	(D)	50,389	263	8,105
Industrial machinery and equipment	(D)	0	179,784	(D)	9,285

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1998

(Thousands of Dollars)

	Pacific	Pend Oreille	Pierce	San Juan	Skagit
Electronic and other electric equipment	0	0	31,999	(D)	1,630
Motor vehicles and equipment	0	0	9,707	0	(D)
Other transportation equipment	233	0	130,108	248	(D)
Instruments and related products	0	0	5,260	(D)	5,554
Miscellaneous manufacturing industries	0	(D)	11,951	(D)	2,555
Ordnance	(N)	(N)	(N)	(N)	(N)
Nondurable goods	8,669	(D)	405,317	1,035	102,701
Food and kindred products	6,734	(D)	73,045	(D)	27,591
Tobacco products	0	0	0	0	0
Textile mill products	0	0	(D)	(D)	(D)
Apparel and other textile products	(D)	0	36,686	(D)	(D)
Paper and allied products	0	(D)	62,740	0	0
Printing and publishing	718	(D)	89,311	797	7,276
Chemicals and allied products	(D)	0	38,645	(D)	8,020
Petroleum and coal products	0	0	22,474	0	53,177
Rubber and misc. plastics products	79	0	81,910	0	4,469
Leather and leather products	0	0	(D)	0	0
Transportation and public utilities	5,049	5,266	464,869	8,362	70,822
Railroad transportation	282	505	20,337	0	2,545
Trucking and warehousing	2,484	3,170	122,178	684	26,326
Water transportation	(D)	0	98,068	1,586	8,130
Other transportation	(D)	1,077	50,259	(D)	5,789
Local and interurban passenger transit	(D)	(D)	6,189	(D)	154
Transportation by air	0	0	17,155	(D)	4,019
Pipelines, except natural gas	0	0	0	0	0
Transportation services	(D)	(D)	26,915	452	1,616
Communications	1,175	514	130,420	(D)	17,349
Electric, gas, and sanitary services	766	0	43,607	3,262	10,683
Wholesale trade	1,318	(D)	477,494	(D)	50,594
Retail trade	21,124	8,327	974,284	23,483	184,512
Building materials and garden equipment	1,046	(D)	56,707	2,875	10,687
General merchandise stores	(D)	(D)	102,068	(D)	13,245
Food stores	5,127	4,310	164,803	7,425	29,135
Automotive dealers and service stations	1,625	1,569	201,774	1,931	45,685
Apparel and accessory stores	(D)	(L)	35,591	(D)	7,108
Home furniture and furnishings stores	199	191	58,708	868	10,572
Eating and drinking places	7,135	1,623	217,860	6,446	42,247
Miscellaneous retail	2,800	477	136,773	3,463	25,833
Finance, insurance, and real estate	7,366	2,413	623,037	11,473	(D)
Depository & non-depository institutions	(D)	938	194,930	4,006	19,554
Other finance, insurance, & real estate	(D)	1,475	428,107	7,467	(D)
Security & commodity brokers	0	0	107,360	645	5,083
Insurance carriers	436	(D)	86,411	(D)	7,401
Insurance agents, brokers, and service	1,057	(D)	61,072	1,273	9,248
Real estate	1,661	726	155,527	5,079	43,310

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1998

(Thousands of Dollars)

	Pacific	Pend Oreille	Pierce	San Juan	Skagit
Combined real estate, insurance, etc.	(N)	(N)	(N)	(N)	(N)
Holding and other investment offices	(D)	(L)	17,737	(D)	(D)
Services	36,243	11,598	2,189,623	43,998	288,348
Hotels and other lodging places	5,554	1,099	23,516	11,695	6,994
Personal services	1,168	410	85,803	505	8,389
Private households	(D)	(D)	(D)	817	(D)
Business services	4,709	(D)	295,422	8,561	39,183
Auto repair, services, and parking	1,431	400	93,093	544	14,066
Miscellaneous repair services	758	76	38,560	455	6,577
Amusement and recreation services	2,717	(D)	88,433	3,797	30,635
Motion pictures	201	298	7,039	703	1,613
Health services	6,649	1,763	899,825	2,919	98,790
Legal services	757	417	109,779	649	12,485
Educational services	55	(L)	112,530	639	4,749
Social services	2,462	652	123,368	1,184	20,407
Museums, botanical, zoological gardens	(D)	0	1,814	278	(D)
Membership organizations	4,855	(D)	108,872	2,779	19,836
Engineering and management services	2,088	1,187	152,077	4,701	14,201
Miscellaneous services	(D)	(D)	(D)	3,772	(D)
Government and government enterprises	55,162	31,742	2,918,679	29,243	278,386
Federal, civilian	2,597	5,481	465,241	2,808	22,215
Military	4,219	541	1,018,393	586	4,787
State and local	48,346	25,720	1,435,045	25,849	251,384
State	10,623	1,013	370,163	2,124	47,805
Local	37,723	24,707	1,064,882	23,725	203,579

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1998

(Thousands of Dollars)

	Skamania	Snohomish	Spokane	Stevens	Thurston
Income by Place of Residence					
Personal income (thousands of dollars)	204,526	15,816,680	9,572,824	674,137	5,035,435
Nonfarm personal income	205,067	15,791,804	9,561,364	668,653	5,007,659
Farm income ³	-541	24,876	11,460	5,484	27,776
Population (number of persons)	9,779	585,487	408,221	39,591	202,264
Per capita personal income (dollars)	20,915	27,015	23,450	17,028	24,895
Derivation of Total Personal Income					
Earnings by place of work	67,506	9,489,497	6,773,723	348,396	3,052,178
Less: Personal cont. for social insurance ⁴	3,306	598,346	418,205	21,102	134,847
Plus: Adjustment for residence ⁵	71,645	2,960,049	-307,400	65,738	478,292
Equals: Net earnings by place of residence	135,845	11,851,200	6,048,118	393,032	3,395,623
Plus: Dividends, interest, and rent ⁶	39,538	2,347,614	1,951,409	127,566	956,653
Plus: Transfer payments	29,143	1,617,866	1,573,297	153,539	683,159
Earnings by Place of Work					
Wage and salary disbursements	51,280	7,824,795	5,483,740	257,354	2,472,934
Other labor income	8,912	956,801	679,760	34,885	293,451
Proprietors' income ⁷	7,314	707,901	610,223	56,157	285,793
Farm proprietors' income	-696	6,958	4,121	4,200	8,936
Nonfarm proprietors' income	8,010	700,943	606,102	51,957	276,857
Earnings by Industry					
Farm earnings	-541	24,876	11,460	5,484	27,776
Nonfarm earnings	68,047	9,464,621	6,762,263	342,912	3,024,402
Private earnings	40,217	7,967,669	5,406,617	262,525	1,722,906
Ag. serv., forestry, fishing, and other ⁸	328	70,558	33,410	2,868	27,104
Agricultural services	196	42,823	30,180	1,336	13,787
Forestry, fishing, and other ⁸	132	27,735	3,230	1,532	13,317
Forestry	(L)	828	1,344	783	7,746
Fishing	156	26,907	1,886	749	5,571
Other ⁸	0	0	0	0	0
Mining	(D)	6,669	19,753	2,958	3,238
Metal mining	(D)	117	15,678	(D)	(L)
Coal mining	0	0	0	0	0
Oil and gas extraction	0	0	0	0	0
Nonmetallic minerals, except fuels	(D)	6,552	4,075	(D)	3,255
Construction	5,251	725,979	470,408	21,478	180,625
General building contractors	2,047	185,235	136,084	5,132	60,742
Heavy construction contractors	(D)	95,123	42,468	2,434	14,556
Special trade contractors	(D)	445,621	291,856	13,912	105,327
Manufacturing	12,322	3,694,852	913,713	93,617	183,411
Durable goods	12,165	3,443,615	732,351	84,018	99,907
Lumber and wood products	8,254	122,520	31,317	49,588	49,935
Furniture and fixtures	0	22,550	6,686	0	(D)
Stone, clay, and glass products	(D)	34,099	50,902	(D)	8,475
Primary metal industries	0	6,806	207,715	(D)	0
Fabricated metal products	(L)	66,025	47,206	5,846	19,226
Industrial machinery and equipment	817	133,340	127,219	5,786	4,539

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1998

(Thousands of Dollars)

	Skamania	Snohomish	Spokane	Stevens	Thurston
Electronic and other electric equipment	(D)	78,571	101,531	(D)	(D)
Motor vehicles and equipment	(D)	1,351	20,703	0	1,049
Other transportation equipment	0	(D)	53,663	(D)	3,040
Instruments and related products	0	(D)	74,410	(D)	0
Miscellaneous manufacturing industries	(D)	12,201	10,999	0	7,261
Ordnance	(N)	(N)	(N)	(N)	(N)
Nondurable goods	157	251,237	181,362	9,599	83,504
Food and kindred products	0	48,412	50,128	(D)	22,766
Tobacco products	0	0	0	0	0
Textile mill products	0	(D)	(D)	0	(D)
Apparel and other textile products	0	11,043	7,936	(D)	1,014
Paper and allied products	0	(D)	14,950	(D)	16,127
Printing and publishing	(D)	70,387	58,379	1,035	16,575
Chemicals and allied products	(D)	19,992	33,834	(D)	(D)
Petroleum and coal products	0	0	(D)	0	0
Rubber and misc. plastics products	0	26,913	12,062	0	20,487
Leather and leather products	0	(D)	3,474	0	0
Transportation and public utilities	4,111	332,819	435,886	21,121	95,853
Railroad transportation	1,059	13,165	53,058	3,715	1,451
Trucking and warehousing	2,304	57,428	117,283	6,489	21,774
Water transportation	0	15,126	(D)	(D)	2,819
Other transportation	(D)	91,189	(D)	1,503	13,261
Local and interurban passenger transit	0	14,831	(D)	322	3,298
Transportation by air	0	53,509	39,987	(D)	6,344
Pipelines, except natural gas	0	0	0	0	0
Transportation services	(D)	22,849	14,459	(D)	3,619
Communications	112	133,912	100,220	4,704	45,136
Electric, gas, and sanitary services	(D)	21,999	100,867	(D)	11,412
Wholesale trade	(D)	321,277	474,431	5,509	85,860
Retail trade	3,646	848,970	723,929	31,341	308,382
Building materials and garden equipment	278	55,200	43,439	2,540	29,279
General merchandise stores	(D)	77,726	71,347	(D)	29,212
Food stores	1,870	168,056	124,438	9,767	59,621
Automotive dealers and service stations	(D)	176,608	131,519	4,485	48,484
Apparel and accessory stores	0	37,436	21,563	(D)	4,529
Home furniture and furnishings stores	(D)	53,147	67,380	687	38,876
Eating and drinking places	913	182,888	159,527	6,130	62,814
Miscellaneous retail	390	97,909	104,716	3,668	35,567
Finance, insurance, and real estate	1,351	481,946	498,459	8,456	134,391
Depository & non-depository institutions	(D)	131,597	186,557	(D)	49,376
Other finance, insurance, & real estate	(D)	350,349	311,902	(D)	85,015
Security & commodity brokers	0	21,970	55,453	(D)	9,702
Insurance carriers	(D)	139,272	87,484	(D)	18,371
Insurance agents, brokers, and service	(D)	37,435	43,886	1,524	14,293
Real estate	694	147,244	93,135	3,562	41,245

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1998

(Thousands of Dollars)

	Skamania	Snohomish	Spokane	Stevens	Thurston
Combined real estate, insurance, etc.	(N)	(N)	(N)	(N)	(N)
Holding and other investment offices	66	4,428	31,944	61	1,404
Services	11,735	1,484,599	1,836,628	75,177	704,042
Hotels and other lodging places	(D)	16,521	66,533	1,860	12,204
Personal services	461	70,497	54,361	2,293	23,745
Private households	(D)	11,406	(D)	(D)	(D)
Business services	826	275,273	273,825	2,830	112,488
Auto repair, services, and parking	144	78,568	59,034	3,755	25,824
Miscellaneous repair services	(D)	23,514	27,670	1,621	12,191
Amusement and recreation services	173	63,140	34,863	5,293	20,682
Motion pictures	(L)	12,554	8,310	178	1,375
Health services	(D)	500,272	824,315	31,170	301,079
Legal services	339	37,858	99,470	1,299	23,068
Educational services	(L)	22,542	80,155	(D)	33,600
Social services	416	82,784	85,815	3,446	29,793
Museums, botanical, zoological gardens	(D)	83	(D)	(D)	(D)
Membership organizations	1,285	94,002	65,260	(D)	52,671
Engineering and management services	(D)	181,170	121,342	5,633	42,038
Miscellaneous services	420	14,415	23,144	2,050	(D)
Government and government enterprises	27,830	1,496,952	1,355,646	80,387	1,301,496
Federal, civilian	10,117	123,182	246,369	19,514	57,200
Military	461	276,354	199,939	1,851	15,067
State and local	17,252	1,097,416	909,338	59,022	1,229,229
State	1,745	181,349	308,951	12,650	920,624
Local	15,507	916,067	600,387	46,372	308,605

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1998

(Thousands of Dollars)

	Wahkiakum	Walla Walla	Whatcom	Whitman
Income by Place of Residence				
Personal income (thousands of dollars)	78,076	1,118,773	3,574,507	723,632
Nonfarm personal income	77,836	1,073,766	3,482,350	720,029
Farm income ³	240	45,007	92,157	3,603
Population (number of persons)	3,862	53,671	157,244	38,706
Per capita personal income (dollars)	20,216	20,845	22,732	18,696
Derivation of Total Personal Income				
Earnings by place of work	29,853	768,956	2,384,615	489,871
Less: Personal cont. for social insurance ⁴	1,940	42,358	146,300	15,986
Plus: Adjustment for residence ⁵	12,887	-59,472	32,398	-36,044
Equals: Net earnings by place of residence	40,800	667,126	2,270,713	437,841
Plus: Dividends, interest, and rent ⁶	22,179	248,921	785,424	174,918
Plus: Transfer payments	15,097	202,726	518,370	110,873
Earnings by Place of Work				
Wage and salary disbursements	21,768	618,257	1,788,247	392,995
Other labor income	2,816	77,504	203,459	61,581
Proprietors' income ⁷	5,269	73,195	392,909	35,295
Farm proprietors' income	124	8,999	58,457	-4,784
Nonfarm proprietors' income	5,145	64,196	334,452	40,079
Earnings by Industry				
Farm earnings	240	45,007	92,157	3,603
Nonfarm earnings	29,613	723,949	2,292,458	486,268
Private earnings	22,186	537,802	1,942,262	196,559
Ag. serv., forestry, fishing, and other ⁸	1,938	14,296	28,032	5,406
Agricultural services	83	(D)	12,922	(D)
Forestry, fishing, and other ⁸	1,855	(D)	15,110	(D)
Forestry	(D)	(D)	384	(D)
Fishing	(D)	959	14,726	596
Other ⁸	0	0	0	0
Mining	0	(D)	5,408	(D)
Metal mining	0	(L)	(D)	0
Coal mining	0	0	0	0
Oil and gas extraction	0	0	(D)	0
Nonmetallic minerals, except fuels	0	(D)	5,145	(D)
Construction	1,194	34,680	263,919	(D)
General building contractors	409	7,164	59,021	(D)
Heavy construction contractors	346	970	73,081	3,689
Special trade contractors	439	26,546	131,817	12,754
Manufacturing	10,522	143,422	404,011	17,537
Durable goods	10,449	40,380	193,325	(D)
Lumber and wood products	9,481	1,381	52,113	(D)
Furniture and fixtures	0	(D)	164	(D)
Stone, clay, and glass products	(D)	(D)	7,895	934
Primary metal industries	0	(D)	(D)	0
Fabricated metal products	0	5,048	4,790	0
Industrial machinery and equipment	(D)	29,333	19,411	1,135

Table 4.3 (cont'd)

Personal Income by Major Source and Earnings by Industry², 1998

(Thousands of Dollars)

	Wahkiakum	Walla Walla	Whatcom	Whitman
Electronic and other electric equipment	0	0	12,787	0
Motor vehicles and equipment	0	(D)	(D)	0
Other transportation equipment	(D)	0	(D)	(D)
Instruments and related products	0	(D)	2,625	(D)
Miscellaneous manufacturing industries	0	(D)	1,434	0
Ordnance	(N)	(N)	(N)	(N)
Nondurable goods	73	103,042	210,686	(D)
Food and kindred products	0	(D)	37,211	112
Tobacco products	0	0	0	0
Textile mill products	0	(D)	8,812	0
Apparel and other textile products	0	321	5,178	(D)
Paper and allied products	0	(D)	(D)	0
Printing and publishing	(D)	9,846	25,457	447
Chemicals and allied products	0	(D)	8,954	(D)
Petroleum and coal products	0	0	64,361	(D)
Rubber and misc. plastics products	(D)	918	12,021	0
Leather and leather products	0	0	(D)	0
Transportation and public utilities	2,128	(D)	173,389	16,605
Railroad transportation	0	(D)	3,938	63
Trucking and warehousing	1,324	6,480	56,386	5,291
Water transportation	0	0	(D)	0
Other transportation	(L)	(D)	(D)	3,375
Local and interurban passenger transit	0	(D)	3,611	(D)
Transportation by air	0	2,703	9,479	2,269
Pipelines, except natural gas	0	0	(D)	0
Transportation services	(L)	715	11,568	(D)
Communications	(D)	19,004	55,167	2,866
Electric, gas, and sanitary services	(D)	6,061	24,392	5,010
Wholesale trade	(L)	29,694	115,662	33,272
Retail trade	2,024	69,374	277,958	33,043
Building materials and garden equipment	(D)	4,124	16,319	1,881
General merchandise stores	(D)	7,613	27,549	(D)
Food stores	(D)	15,499	64,681	7,387
Automotive dealers and service stations	(D)	12,126	41,503	6,791
Apparel and accessory stores	(D)	921	9,281	(D)
Home furniture and furnishings stores	(L)	2,811	15,959	928
Eating and drinking places	718	14,689	61,959	8,531
Miscellaneous retail	345	11,591	40,707	5,811
Finance, insurance, and real estate	793	28,079	137,058	13,843
Depository & non-depository institutions	(D)	16,913	37,587	(D)
Other finance, insurance, & real estate	(D)	11,166	99,471	(D)
Security & commodity brokers	0	(D)	10,587	(D)
Insurance carriers	(D)	2,516	14,884	802
Insurance agents, brokers, and service	(D)	2,923	15,452	1,635
Real estate	(D)	5,061	56,121	4,486

Table 4.3 (cont'd)

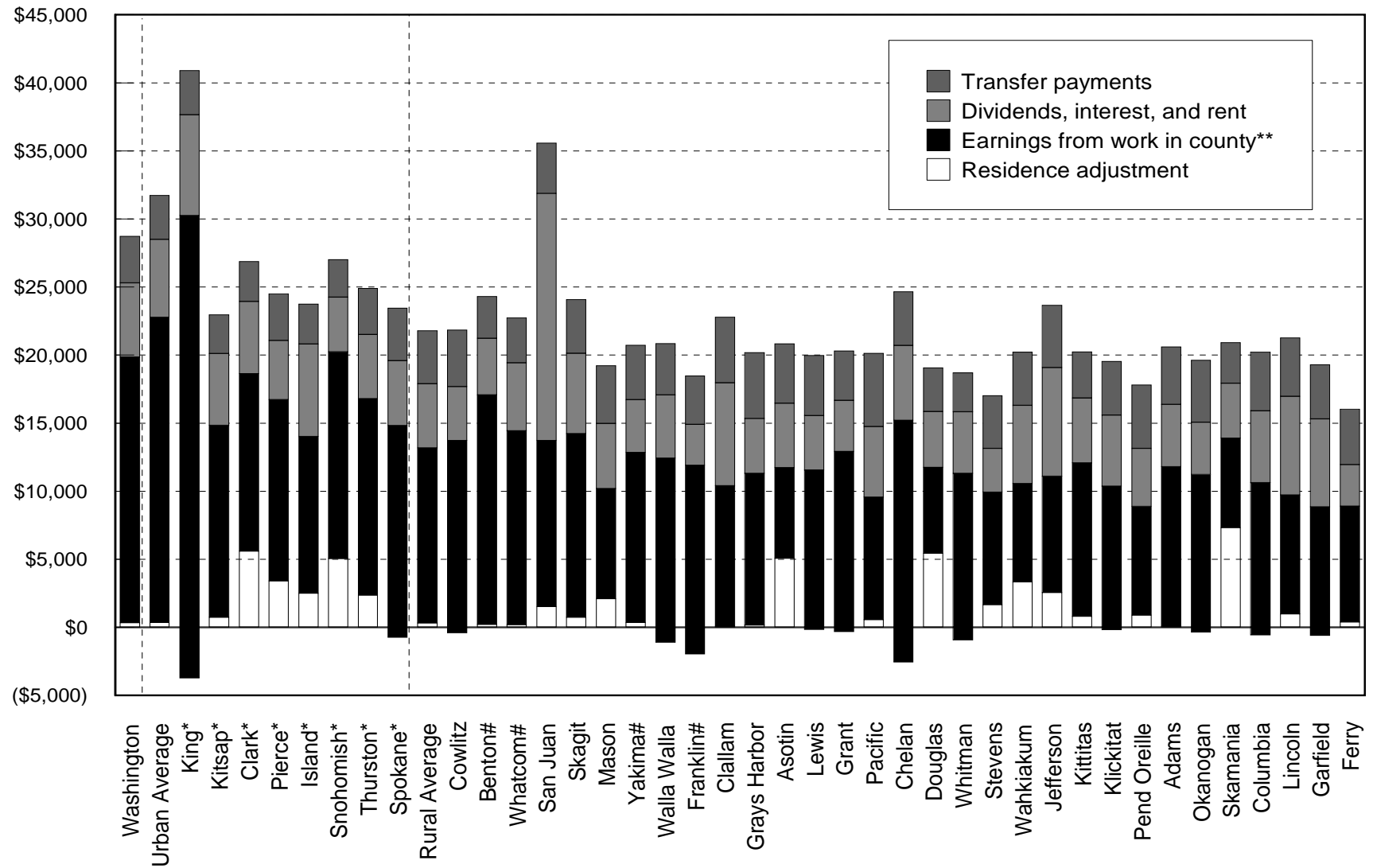
Personal Income by Major Source and Earnings by Industry², 1998

(Thousands of Dollars)

	Wahkiakum	Walla Walla	Whatcom	Whitman
Combined real estate, insurance, etc.	(N)	(N)	(N)	(N)
Holding and other investment offices	(L)	(D)	2,427	337
Services	3,543	181,194	536,825	55,415
Hotels and other lodging places	(L)	1,827	17,652	1,803
Personal services	81	2,039	17,598	3,574
Private households	328	1,427	(D)	992
Business services	(D)	13,498	68,655	3,355
Auto repair, services, and parking	(L)	4,867	21,399	2,394
Miscellaneous repair services	(L)	1,082	11,770	717
Amusement and recreation services	(D)	2,193	19,420	349
Motion pictures	(D)	581	1,804	375
Health services	(D)	89,816	177,121	23,045
Legal services	(D)	5,515	22,816	2,882
Educational services	(L)	34,413	17,928	(D)
Social services	242	8,228	28,614	4,111
Museums, botanical, zoological gardens	(D)	(D)	(D)	0
Membership or-				

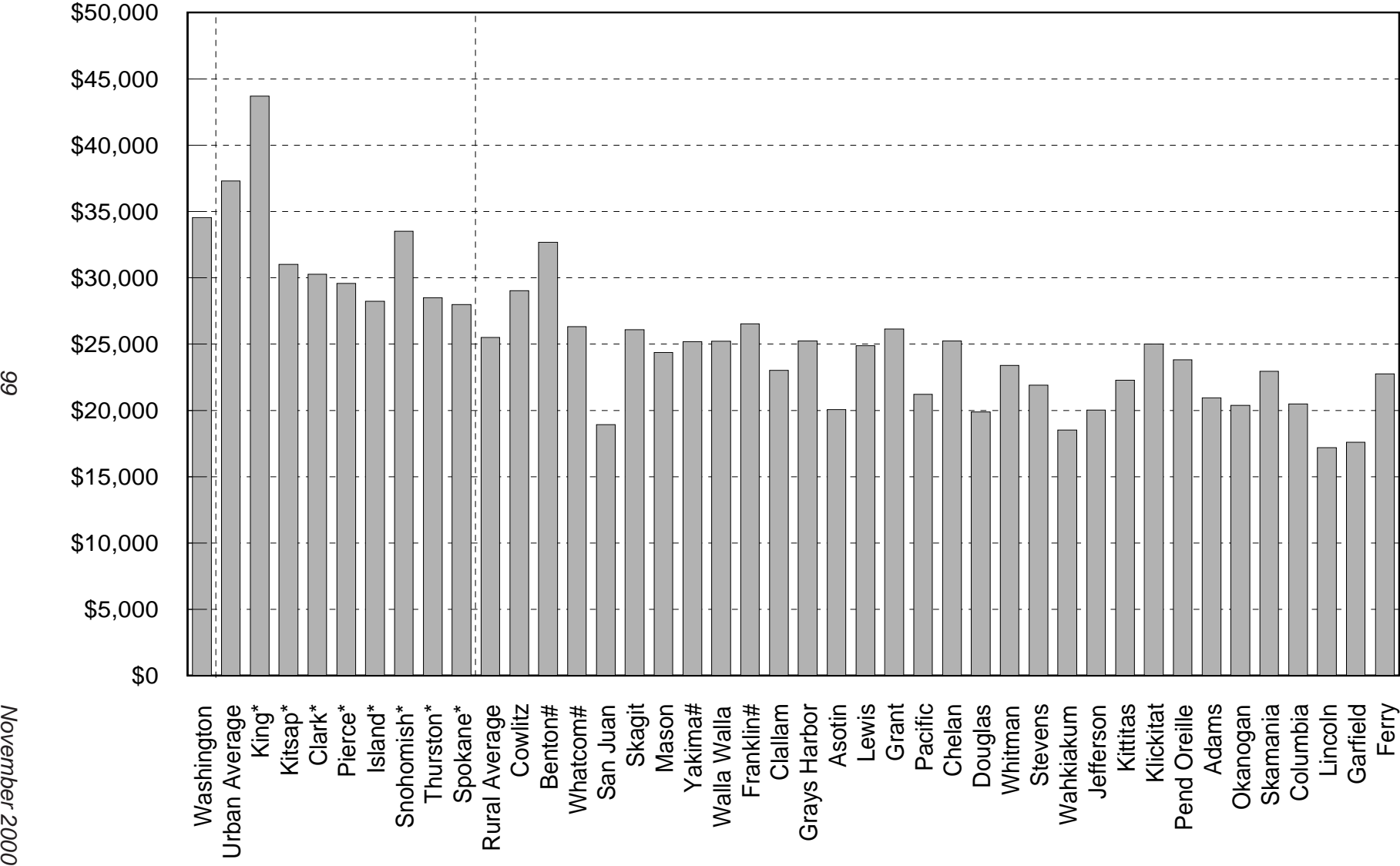
Chart 4.1

1998 County Per Capita Personal Income by Source



**Sections of earnings that extend below zero indicate a negative residence adjustment

Chart 4.2
Earnings per Job



Footnotes for Charts 4.1 and 4.2, Tables 4.1, 4.4 and 4.5

- # Metropolitan area (Defined by the US Office of Management and Budget: The general concept of a metropolitan area is that of a large population nucleus, together with adjacent communities having a high degree of social and economic integration with that core. Metropolitan areas comprise one or more entire counties, except in New England, where cities and towns are the basic geographic units.).
- * Urban area (Laws of Washington Chapter 311, counties with greater than 100 persons per square mile. All urban areas are also metropolitan areas.).
- NA Data not available for this year.

Footnotes for Tables 4.2 and 4.3

1. The employment estimates used to compute the average wage are a job, not person, count. People holding more than one job are counted in the employment estimates for each job they hold.
 2. Industries are classified according to the 1987 Standard Industrial Classification (SIC).
 3. Farm income consists of proprietors' income; the cash wages, pay-in-kind, and other labor income of hired farm workers; and the salaries of officers of corporate farms.
 4. Personal contributions for social insurance are included in earnings by type and industry but they are excluded from personal income.
 5. The adjustment for residence is the net inflow of the earnings of interarea commuters. For the United States, it consists of adjustments for border workers: Wage and salary disbursements to U.S. residents commuting to Canada less wage and salary disbursements to Canadian and Mexican residents commuting into the United States.
 6. Rental income of persons includes the capital consumption adjustment.
 7. Proprietors income includes the inventory valuation adjustment and capital consumption adjustment.
 8. "Other" consists of wage and salary disbursements to U.S. residents employed by international organizations and foreign embassies and consulates in the United States.
- E The estimate shown here constitutes the major portion of the true estimate.
- (D) Not shown to avoid disclosure of confidential information, but estimates for this item are included in the totals.
- (L) Less than \$50,000, but the estimates for this item are included in the totals.
- (N) Data not available for this year.

Detail Components of the Washington Economic Forecast

Calendar Years

Table A1.1
U.S. Economic Forecast Summary
 Forecast 2000 to 2003

	1996	1997	1998	1999	2000	2001	2002	2003
Real National Income Accounts (Billions of Chained 1996 Dollars)								
Real Gross Domestic Product	7,813.2	8,159.4	8,515.6	8,875.7	9,337.2	9,640.8	9,961.9	10,307.7
% Ch	3.6	4.4	4.4	4.2	5.2	3.3	3.3	3.5
Real Consumption	5237.5	5423.9	5678.7	5978.8	6299.1	6535.6	6768.9	7008.1
% Ch	3.2	3.6	4.7	5.3	5.4	3.8	3.6	3.5
Real Nonresidential Fixed Investment	899.4	1,009.3	1,140.3	1,255.3	1,419.8	1,522.7	1,614.7	1,722.1
% Ch	10.0	12.2	13.0	10.1	13.1	7.3	6.0	6.7
Real Residential Fixed Investment	313.3	319.7	346.1	368.3	367.9	368.9	375.8	361.9
% Ch	7.4	2.0	8.3	6.4	-0.1	0.3	1.9	-3.7
Real Personal Income	6,547.3	6,804.9	7,173.5	7,429.8	7,714.2	7,991.0	8,223.9	8,470.8
% Ch	3.4	3.9	5.4	3.6	3.8	3.6	2.9	3.0
Real Per Capita Income (\$/Person)	24,629	25,357	26,488	27,190	27,981	28,725	29,299	29,914
% Ch	2.4	3.0	4.5	2.7	2.9	2.7	2.0	2.1
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.000	1.019	1.030	1.048	1.074	1.098	1.123	1.151
% Ch	2.1	1.9	1.1	1.8	2.5	2.2	2.3	2.4
U.S. Consumer Price Index (1982-84=1.0)	1.570	1.606	1.631	1.667	1.722	1.766	1.810	1.856
% Ch	2.9	2.3	1.6	2.2	3.3	2.5	2.5	2.5
Employment Cost Index (June 1989=1.0)	1.260	1.304	1.357	1.402	1.462	1.528	1.585	1.644
% Ch	3.3	3.5	4.0	3.4	4.3	4.5	3.7	3.8
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	7,813.2	8,318.4	8,790.2	9,299.2	9,997.8	10,587.4	11,213.8	11,880.9
% Ch	5.6	6.5	5.7	5.8	7.5	5.9	5.9	5.9
Personal Income	6,547.4	6,937.0	7,391.0	7,789.7	8,289.3	8,772.4	9,239.9	9,747.8
% Ch	5.6	6.0	6.5	5.4	6.4	5.8	5.3	5.5
Employment (Millions)								
U.S. Civilian Labor Force	133.9	136.3	137.7	139.4	140.9	142.5	144.4	146.3
Total U.S. Employment	126.7	129.6	131.5	133.5	135.2	136.3	137.7	139.4
Unemployment Rate (%)	5.41	4.93	4.50	4.22	4.05	4.40	4.61	4.70
Wage and Salary Employment	119.60	122.68	125.85	128.77	131.45	132.61	133.65	135.06
% Ch	2.1	2.6	2.6	2.3	2.1	0.9	0.8	1.1
Manufacturing	18.50	18.68	18.81	18.54	18.45	17.99	17.50	17.21
% Ch	-0.2	1.0	0.7	-1.4	-0.5	-2.5	-2.7	-1.7
Durable Manufacturing	10.79	11.01	11.21	11.10	11.09	10.83	10.54	10.38
% Ch	1.0	2.0	1.8	-0.9	-0.1	-2.3	-2.7	-1.5
Nondurable Manufacturing	7.71	7.67	7.60	7.44	7.36	7.16	6.96	6.82
% Ch	-1.7	-0.5	-0.8	-2.1	-1.1	-2.7	-2.8	-2.0
Nonmanufacturing	101.10	104.00	107.04	110.23	113.00	114.62	116.15	117.85
% Ch	2.5	2.9	2.9	3.0	2.5	1.4	1.3	1.5
Services	34.46	36.04	37.53	39.02	40.41	41.42	42.41	43.57
% Ch	4.0	4.6	4.1	4.0	3.5	2.5	2.4	2.7
Miscellaneous Indicators								
Credit Outstanding/Disp. Income	20.4	20.4	20.2	20.5	21.0	20.9	20.5	19.8
Auto Sales (Millions)	8.5	8.3	8.1	8.7	9.0	8.5	8.2	8.1
% Ch	-1.8	-3.0	-1.6	6.8	3.3	-5.8	-3.2	-1.7
Housing Starts (Millions)	1.469	1.475	1.621	1.676	1.614	1.631	1.598	1.469
% Ch	7.9	0.4	9.9	3.4	-3.7	1.0	-2.0	-8.1
Federal Budget Surplus (Billions)	-136.8	-53.3	49.0	124.5	258.2	239.0	189.8	160.8
Net Exports (Billions)	-89.0	-89.3	-151.5	-254.0	-357.3	-400.1	-443.0	-469.6
3-Month Treasury Bill Rate (%)	5.01	5.06	4.78	4.64	5.81	5.79	5.43	5.35
30-Year U.S. Govt. Bond Rate (%)	6.70	6.61	5.58	5.87	6.00	5.83	5.74	5.89
Bond Index of 20 G.O. Munis. (%)	5.76	5.52	5.09	5.43	5.88	6.09	5.98	6.03
Mortgage Rate (%)	7.81	7.60	6.95	7.43	8.20	7.78	7.37	7.36

Table A1.2
U.S. Economic Forecast Summary
 Forecast 2000 to 2003

	1998:1	1998:2	1998:3	1998:4	1999:1	1999:2	1999:3	1999:4
Real National Income Accounts (Billions of Chained 1996 Dollars)								
Real Gross Domestic Product	8,404.9	8,465.6	8,537.6	8,654.5	8,730.0	8,783.2	8,905.8	9,084.1
% Ch	6.5	2.9	3.4	5.6	3.5	2.5	5.7	8.3
Real Consumption	5,572.4	5,651.6	5,711.0	5,779.8	5,860.2	5,940.2	6,013.8	6,101.0
% Ch	4.8	5.8	4.3	4.9	5.7	5.6	5.0	5.9
Real Nonresidential Fixed Investment	1,096.0	1,136.4	1,146.3	1,182.3	1,209.4	1,237.5	1,272.5	1,301.8
% Ch	20.1	15.6	3.5	13.2	9.5	9.6	11.8	9.5
Real Residential Fixed Investment	332.4	342.4	350.9	358.5	365.7	370.9	368.0	368.5
% Ch	9.6	12.6	10.3	8.9	8.2	5.9	-3.1	0.5
Real Personal Income	7,053.0	7,137.5	7,215.0	7,288.4	7,334.0	7,390.5	7,449.3	7,545.3
% Ch	7.3	4.9	4.4	4.1	2.5	3.1	3.2	5.3
Real Per Capita Income (\$/Person)	26,132	26,385	26,612	26,823	26,930	27,077	27,232	27,522
% Ch	6.3	3.9	3.5	3.2	1.6	2.2	2.3	4.3
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.025	1.028	1.032	1.036	1.040	1.046	1.051	1.057
% Ch	0.4	1.2	1.4	1.5	1.7	2.3	1.9	2.2
U.S. Consumer Price Index (1982-84=1.0)	1.621	1.628	1.635	1.642	1.649	1.662	1.672	1.684
% Ch	1.0	1.7	1.7	1.7	1.7	3.3	2.5	2.9
Employment Cost Index (June 1989=1.0)	1.337	1.349	1.365	1.375	1.381	1.397	1.409	1.422
% Ch	4.0	3.6	4.8	3.0	1.8	4.7	3.5	3.7
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	8,634.7	8,722.0	8,829.1	8,974.9	9,104.5	9,191.5	9,340.9	9,559.7
% Ch	7.6	4.1	5.0	6.8	5.9	3.9	6.7	9.7
Personal Income	7,230.7	7,339.5	7,445.1	7,548.6	7,628.1	7,729.7	7,828.5	7,972.3
% Ch	7.7	6.2	5.9	5.7	4.3	5.4	5.2	7.6
Employment (Millions)								
U.S. Civilian Labor Force	137.3	137.3	137.7	138.3	139.1	139.1	139.4	139.9
Total U.S. Employment	130.9	131.3	131.5	132.2	133.1	133.2	133.5	134.2
Unemployment Rate (%)	4.67	4.40	4.50	4.43	4.30	4.27	4.23	4.10
Wage and Salary Employment	124.75	125.49	126.18	126.97	127.80	128.43	129.07	129.78
% Ch	2.6	2.4	2.2	2.5	2.6	2.0	2.0	2.2
Manufacturing	18.87	18.87	18.77	18.72	18.63	18.54	18.52	18.48
% Ch	1.5	-0.0	-2.2	-1.0	-1.8	-1.9	-0.6	-0.7
Durable Manufacturing	11.23	11.24	11.18	11.17	11.13	11.09	11.10	11.08
% Ch	2.9	0.7	-2.3	-0.2	-1.6	-1.3	0.4	-0.7
Nondurable Manufacturing	7.65	7.63	7.59	7.54	7.50	7.45	7.41	7.40
% Ch	-0.5	-1.1	-2.1	-2.3	-2.1	-2.8	-2.0	-0.8
Nonmanufacturing	105.88	106.61	107.42	108.25	109.17	109.89	110.56	111.30
% Ch	2.8	2.8	3.0	3.1	3.4	2.7	2.5	2.7
Services	37.00	37.34	37.69	38.07	38.47	38.84	39.19	39.60
% Ch	4.2	3.7	3.8	4.1	4.2	3.9	3.7	4.2
Miscellaneous Indicators								
Credit Outstanding/Disp. Income	20.1	20.1	20.2	20.2	20.4	20.4	20.5	20.6
Auto Sales (Millions)	8.0	8.4	7.7	8.5	8.4	8.8	8.8	8.8
% Ch	-5.3	22.0	-29.7	52.9	-7.8	21.4	1.4	0.7
Housing Starts (Millions)	1.559	1.572	1.631	1.722	1.760	1.591	1.663	1.689
% Ch	7.1	3.6	15.9	24.3	9.0	-33.2	19.5	6.5
Federal Budget Surplus (Billions)	25.9	41.9	71.9	56.4	89.7	117.5	147.3	143.3
Net Exports (Billions)	-117.5	-151.8	-167.6	-169.0	-196.1	-240.4	-280.5	-299.1
3-Month Treasury Bill Rate (%)	5.05	4.98	4.82	4.26	4.41	4.45	4.65	5.04
30-Year U.S. Govt. Bond Rate (%)	5.88	5.85	5.47	5.11	5.37	5.80	6.04	6.25
Bond Index of 20 G.O. Munis. (%)	5.12	5.18	5.07	4.98	5.05	5.21	5.56	5.91
Mortgage Rate (%)	7.05	7.09	6.86	6.77	6.88	7.21	7.80	7.83

Table A1.2
U.S. Economic Forecast Summary
 Forecast 2000 to 2003

	2000:1	2000:2	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4
Real National Income Accounts (Billions of Chained 1996 Dollars)								
Real Gross Domestic Product	9,191.8	9,318.9	9,369.5	9,468.4	9,529.6	9,598.2	9,677.4	9,758.1
% Ch	4.8	5.6	2.2	4.3	2.6	2.9	3.3	3.4
Real Consumption	6,213.5	6,260.6	6,335.6	6,386.7	6,444.6	6,503.9	6,568.0	6,625.8
% Ch	7.6	3.1	4.9	3.3	3.7	3.7	4.0	3.6
Real Nonresidential Fixed Investment	1,365.3	1,412.5	1,432.9	1,468.6	1,490.5	1,514.2	1,532.8	1,553.4
% Ch	21.0	14.6	5.9	10.3	6.1	6.5	5.0	5.5
Real Residential Fixed Investment	371.4	372.6	366.4	361.2	363.2	365.4	370.8	376.3
% Ch	3.2	1.3	-6.4	-5.6	2.2	2.5	6.0	6.1
Real Personal Income	7,606.1	7,694.3	7,741.4	7,814.9	7,905.0	7,967.3	8,017.6	8,074.1
% Ch	3.3	4.7	2.5	3.8	4.7	3.2	2.5	2.8
Real Per Capita Income (\$/Person)	27,682	27,941	28,049	28,251	28,513	28,673	28,789	28,927
% Ch	2.4	3.8	1.5	2.9	3.8	2.3	1.6	1.9
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.066	1.071	1.077	1.084	1.089	1.094	1.100	1.107
% Ch	3.5	2.1	2.3	2.4	1.9	2.0	2.2	2.4
U.S. Consumer Price Index (1982-84=1.0)	1.702	1.717	1.729	1.741	1.751	1.760	1.771	1.782
% Ch	4.3	3.7	2.8	2.7	2.3	2.3	2.4	2.6
Employment Cost Index (June 1989=1.0)	1.439	1.454	1.470	1.487	1.504	1.520	1.536	1.551
% Ch	4.9	4.2	4.5	4.6	4.8	4.3	4.4	3.9
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	9,752.7	9,945.7	10,058.9	10,233.9	10,363.1	10,504.9	10,660.9	10,820.8
% Ch	8.3	8.2	4.6	7.1	5.1	5.6	6.1	6.1
Personal Income	8,105.8	8,242.1	8,340.3	8,469.0	8,607.8	8,719.7	8,823.3	8,938.6
% Ch	6.9	6.9	4.9	6.3	6.7	5.3	4.8	5.3
Employment (Millions)								
U.S. Civilian Labor Force	141.0	140.8	140.7	141.2	141.8	142.3	142.8	143.3
Total U.S. Employment	135.2	135.2	135.0	135.5	135.8	136.1	136.4	136.7
Unemployment Rate (%)	4.07	4.00	4.06	4.07	4.20	4.37	4.49	4.56
Wage and Salary Employment	130.63	131.55	131.62	132.01	132.25	132.51	132.72	132.95
% Ch	2.6	2.9	0.2	1.2	0.7	0.8	0.6	0.7
Manufacturing	18.48	18.49	18.48	18.35	18.18	18.04	17.93	17.81
% Ch	-0.0	0.1	-0.1	-2.8	-3.6	-3.0	-2.4	-2.7
Durable Manufacturing	11.09	11.11	11.12	11.05	10.94	10.86	10.80	10.73
% Ch	0.3	0.6	0.5	-2.5	-3.8	-2.9	-2.3	-2.8
Nondurable Manufacturing	7.39	7.38	7.36	7.30	7.24	7.18	7.13	7.08
% Ch	-0.5	-0.5	-1.0	-3.3	-3.4	-3.1	-2.6	-2.7
Nonmanufacturing	112.14	113.06	113.14	113.66	114.07	114.47	114.78	115.14
% Ch	3.1	3.3	0.3	1.9	1.5	1.4	1.1	1.2
Services	39.95	40.27	40.59	40.81	41.10	41.28	41.56	41.74
% Ch	3.6	3.3	3.2	2.2	2.8	1.8	2.8	1.7
Miscellaneous Indicators								
Credit Outstanding/Disp. Income	20.8	21.0	21.2	21.1	21.0	20.9	20.9	20.8
Auto Sales (Millions)	9.4	8.9	8.9	8.7	8.6	8.4	8.4	8.4
% Ch	26.8	-16.9	-2.4	-7.0	-5.4	-8.7	0.7	-2.3
Housing Starts (Millions)	1.732	1.605	1.532	1.589	1.598	1.604	1.634	1.688
% Ch	10.5	-26.3	-16.8	15.5	2.5	1.4	7.9	13.7
Federal Budget Surplus (Billions)	235.8	240.9	282.0	274.0	244.9	233.4	240.1	237.4
Net Exports (Billions)	-335.2	-355.4	-372.1	-366.5	-376.8	-395.7	-411.8	-416.0
3-Month Treasury Bill Rate (%)	5.52	5.71	6.02	5.99	5.95	5.94	5.74	5.53
30-Year U.S. Govt. Bond Rate (%)	6.30	5.98	5.79	5.92	5.90	5.93	5.80	5.69
Bond Index of 20 G.O. Munis. (%)	5.96	5.85	5.79	5.92	6.03	6.20	6.11	6.03
Mortgage Rate (%)	8.26	8.32	8.02	8.20	8.01	7.93	7.70	7.47

Table A1.2
U.S. Economic Forecast Summary
 Forecast 2000 to 2003

	2002:1	2002:02	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Real National Income Accounts (Billions of Chained 1996 Dollars)								
Real Gross Domestic Product	9,836.8	9,918.3	10,004.0	10,088.6	10,179.5	10,265.4	10,347.6	10,438.5
% Ch	3.3	3.4	3.5	3.4	3.7	3.4	3.2	3.6
Real Consumption	6,682.7	6,740.4	6,798.5	6,853.9	6,917.9	6,979.6	7,038.2	7,096.6
% Ch	3.5	3.5	3.5	3.3	3.8	3.6	3.4	3.4
Real Nonresidential Fixed Investment	1,571.5	1,600.6	1,628.9	1,657.7	1,679.9	1,709.9	1,735.0	1,763.6
% Ch	4.7	7.6	7.2	7.3	5.5	7.3	6.0	6.8
Real Residential Fixed Investment	378.7	378.9	375.6	370.1	365.2	361.9	360.3	360.1
% Ch	2.6	0.1	-3.4	-5.7	-5.2	-3.6	-1.8	-0.2
Real Personal Income	8,140.9	8,196.9	8,249.5	8,308.4	8,381.2	8,443.7	8,498.0	8,560.3
% Ch	3.4	2.8	2.6	2.9	3.6	3.0	2.6	3.0
Real Per Capita Income (\$/Person)	29,101	29,236	29,358	29,502	29,695	29,851	29,977	30,131
% Ch	2.4	1.9	1.7	2.0	2.6	2.1	1.7	2.1
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.114	1.120	1.127	1.133	1.140	1.147	1.154	1.161
% Ch	2.4	2.3	2.4	2.4	2.4	2.4	2.5	2.5
U.S. Consumer Price Index (1982-84=1.0)	1.794	1.804	1.816	1.827	1.838	1.850	1.862	1.874
% Ch	2.6	2.5	2.5	2.5	2.5	2.5	2.6	2.5
Employment Cost Index (June 1989=1.0)	1.564	1.578	1.592	1.606	1.621	1.637	1.652	1.668
% Ch	3.4	3.5	3.5	3.6	3.7	4.0	3.9	3.9
Current Dollar National Income (Billions of Dollars)								
Gross Domestic Product	10,979.3	11,132.2	11,291.9	11,451.8	11,628.5	11,795.2	11,961.3	12,138.6
% Ch	6.0	5.7	5.9	5.8	6.3	5.9	5.8	6.1
Personal Income	9,066.8	9,181.4	9,294.5	9,416.8	9,555.9	9,685.3	9,808.6	9,941.4
% Ch	5.9	5.2	5.0	5.4	6.0	5.5	5.2	5.5
Employment (Millions)								
U.S. Civilian Labor Force	143.7	144.2	144.6	145.1	145.6	146.0	146.5	147.0
Total U.S. Employment	137.1	137.5	138.0	138.4	138.8	139.2	139.6	140.1
Unemployment Rate (%)	4.60	4.61	4.62	4.63	4.65	4.68	4.72	4.74
Wage and Salary Employment	133.18	133.46	133.81	134.14	134.50	134.88	135.24	135.62
% Ch	0.7	0.8	1.1	1.0	1.1	1.1	1.1	1.1
Manufacturing	17.67	17.54	17.42	17.36	17.28	17.21	17.19	17.15
% Ch	-3.1	-2.8	-2.8	-1.5	-1.7	-1.6	-0.6	-0.9
Durable Manufacturing	10.64	10.57	10.49	10.46	10.42	10.38	10.38	10.36
% Ch	-3.2	-2.8	-2.7	-1.3	-1.6	-1.3	-0.2	-0.4
Nondurable Manufacturing	7.03	6.98	6.93	6.90	6.86	6.83	6.81	6.78
% Ch	-3.0	-3.0	-2.9	-1.7	-1.9	-2.0	-1.2	-1.5
Nonmanufacturing	115.50	115.91	116.39	116.78	117.22	117.67	118.05	118.47
% Ch	1.3	1.4	1.7	1.4	1.5	1.5	1.3	1.4
Services	41.96	42.24	42.57	42.85	43.12	43.43	43.70	44.02
% Ch	2.1	2.7	3.2	2.6	2.5	2.9	2.5	3.0
Miscellaneous Indicators								
Credit Outstanding/Disp. Income	20.7	20.6	20.4	20.2	20.1	19.9	19.7	19.5
Auto Sales (Millions)	8.3	8.2	8.2	8.1	8.1	8.1	8.0	8.0
% Ch	-5.3	-1.4	-2.9	-4.8	-0.6	-0.1	-0.9	-0.9
Housing Starts (Millions)	1.662	1.620	1.583	1.528	1.487	1.465	1.458	1.465
% Ch	-5.9	-9.8	-9.0	-13.2	-10.2	-5.9	-1.8	1.9
Federal Budget Surplus (Billions)	207.4	197.4	181.7	172.6	166.2	162.9	155.7	158.3
Net Exports (Billions)	-423.0	-443.0	-453.3	-452.8	-452.5	-468.8	-478.2	-479.0
3-Month Treasury Bill Rate (%)	5.54	5.48	5.35	5.35	5.35	5.35	5.34	5.35
30-Year U.S. Govt. Bond Rate (%)	5.74	5.74	5.72	5.78	5.83	5.88	5.91	5.95
Bond Index of 20 G.O. Munis. (%)	6.04	6.00	5.93	5.96	5.99	6.01	6.04	6.06
Mortgage Rate (%)	7.43	7.41	7.33	7.33	7.35	7.36	7.36	7.37

Table A1.3
Washington Economic Forecast Summary
 Forecast 2000 to 2003

	1996	1997	1998	1999	2000	2001	2002	2003
Real Income (Billions of Chained 1996 Dollars)								
Real Personal Income	139.320	147.416	158.062	166.855	172.486	177.580	183.369	189.531
% Ch	5.2	5.8	7.2	5.6	3.4	3.0	3.3	3.4
Real Wage and Salary Disb.	77.304	83.764	91.276	98.611	101.462	103.663	106.733	110.018
% Ch	5.6	8.4	9.0	8.0	2.9	2.2	3.0	3.1
Real Nonwage Income	62.016	63.652	66.786	68.243	71.024	73.917	76.636	79.512
% Ch	4.6	2.6	4.9	2.2	4.1	4.1	3.7	3.8
Real Per Capita Income (\$/Person)	25,099	26,154	27,669	28,893	29,609	30,141	30,673	31,200
% Ch	3.5	4.2	5.8	4.4	2.5	1.8	1.8	1.7
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.000	1.019	1.030	1.048	1.074	1.098	1.123	1.151
% Ch	2.1	1.9	1.1	1.8	2.5	2.2	2.3	2.4
Seattle Cons. Price Index (1982-84=1.0)	1.575	1.630	1.678	1.728	1.791	1.837	1.882	1.932
% Ch	3.4	3.5	3.0	2.9	3.7	2.6	2.4	2.7
Avg. Hourly Earnings-Mfg. (\$/Hour)	14.73	15.14	15.75	16.14	16.80	17.38	17.70	18.06
% Ch	0.0	2.8	4.0	2.5	4.1	3.5	1.8	2.0
Current Dollar Income (Billions of Dollars)								
Nonfarm Personal Income	138.451	149.815	162.317	174.872	185.303	194.623	205.554	217.582
% Ch	7.2	8.2	8.3	7.7	6.0	5.0	5.6	5.9
Personal Income	139.328	150.283	162.855	174.949	185.336	194.944	206.023	218.104
% Ch	7.4	7.9	8.4	7.4	5.9	5.2	5.7	5.9
Disposable Personal Income	120.821	129.294	139.257	149.074	156.594	165.365	176.372	187.567
% Ch	6.5	7.0	7.7	7.0	5.0	5.6	6.7	6.3
Per Capita Income (\$/Person)	25,100	26,662	28,508	30,294	31,814	33,088	34,461	35,903
% Ch	5.7	6.2	6.9	6.3	5.0	4.0	4.2	4.2
Employment (Thousands)								
Washington Civilian Labor Force	2,878.6	2,981.2	3,036.6	3,075.8	3,080.6	3,109.0	3,167.0	3,230.4
Total Washington Employment	2,691.6	2,839.6	2,892.0	2,930.6	2,935.9	2,963.3	3,012.8	3,066.4
Unemployment Rate (%)	6.50	4.75	4.76	4.72	4.70	4.69	4.87	5.08
Wage and Salary Employment	2415.56	2514.18	2594.66	2648.18	2710.75	2748.81	2798.37	2851.76
% Ch	2.9	4.1	3.2	2.1	2.4	1.4	1.8	1.9
Manufacturing	344.776	370.021	379.56	364.098	353.026	351.355	353.157	356.327
% Ch	3.7	7.3	2.6	-4.1	-3.0	-0.5	0.5	0.9
Durable Manufacturing	235.0	261.3	271.0	255.9	245.3	246.1	249.2	252.9
% Ch	5.0	11.2	3.7	-5.6	-4.1	0.3	1.3	1.5
Aerospace	86.3	105.0	112.4	99.0	86.6	85.8	87.6	90.2
% Ch	7.7	21.6	7.1	-11.9	-12.6	-0.9	2.1	3.0
Nondurable Manufacturing	109.733	108.759	108.594	108.236	107.706	105.253	103.945	103.467
% Ch	1.1	-0.9	-0.2	-0.3	-0.5	-2.3	-1.2	-0.5
Nonmanufacturing	2,070.8	2,144.2	2,215.1	2,284.1	2,357.7	2,397.5	2,445.2	2,495.4
% Ch	2.8	3.5	3.3	3.1	3.2	1.7	2.0	2.1
Construction	127.8	136.3	143.7	153.2	162.6	166.2	168.8	169.2
% Ch	4.8	6.6	5.4	6.6	6.1	2.2	1.6	0.2
Services	649.1	678.8	709.3	739.1	774.4	797.6	822.2	850.4
% Ch	4.1	4.6	4.5	4.2	4.8	3.0	3.1	3.4
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	39.597	41.089	45.727	42.752	42.134	42.197	42.733	39.937
% Ch	3.8	3.8	11.3	-6.5	-1.4	0.1	1.3	-6.5
Single-Family	27.015	27.776	28.644	28.111	26.959	26.034	26.867	25.980
% Ch	0.9	2.8	3.1	-1.9	-4.1	-3.4	3.2	-3.3
Multi-Family	12.582	13.313	17.083	14.641	15.175	16.163	15.866	13.957
% Ch	10.5	5.8	28.3	-14.3	3.6	6.5	-1.8	-12.0
Mortgage Rate (%)	7.81	7.60	6.95	7.43	8.20	7.78	7.37	7.36

Table A1.4
Washington Economic Forecast Summary
 Forecast 2000 to 2003

	1998:1	1998:2	1998:3	1998:4	1999:1	1999:2	1999:3	1999:4
Real Income (Billions of Chained 1996 Dollars)								
Real Personal Income	154.559	157.185	159.563	160.940	163.580	163.609	167.972	172.258
% Ch	11.0	7.0	6.2	3.5	6.7	0.1	11.1	10.6
Real Wage and Salary Disb.	88.699	90.666	92.445	93.295	96.319	95.751	99.620	102.755
% Ch	12.7	9.2	8.1	3.7	13.6	-2.3	17.2	13.2
Real Nonwage Income	65.859	66.518	67.120	67.645	67.260	67.858	68.352	69.503
% Ch	8.7	4.1	3.7	3.2	-2.3	3.6	2.9	6.9
Real Per Capita Income (\$/Person)	27,186	27,560	27,889	28,041	28,412	28,361	29,059	29,741
% Ch	9.5	5.6	4.9	2.2	5.4	-0.7	10.2	9.7
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.025	1.028	1.032	1.036	1.040	1.046	1.051	1.057
% Ch	0.4	1.2	1.4	1.5	1.7	2.3	1.9	2.2
Seattle Cons. Price Index (1982-84=1.0)	1.665	1.670	1.685	1.694	1.706	1.724	1.734	1.746
% Ch	4.3	1.1	3.8	2.0	3.0	4.4	2.2	2.7
Avg. Hourly Earnings-Mfg. (\$/Hour)	15.49	15.67	15.85	15.99	15.97	16.05	16.23	16.31
% Ch	2.2	4.7	4.5	3.7	-0.5	2.0	4.6	2.0
Current Dollar Income (Billions of Dollars)								
Nonfarm Personal Income	157.934	161.145	164.216	165.973	170.100	171.074	176.563	181.750
% Ch	11.3	8.4	7.8	4.3	10.3	2.3	13.5	12.3
Personal Income	158.449	161.629	164.660	166.683	170.141	171.127	176.522	182.006
% Ch	11.4	8.3	7.7	5.0	8.6	2.3	13.2	13.0
Disposable Personal Income	135.751	138.365	140.685	142.228	145.312	146.036	150.275	154.672
% Ch	10.7	7.9	6.9	4.5	9.0	2.0	12.1	12.2
Per Capita Income (\$/Person)	27,870	28,339	28,780	29,042	29,552	29,664	30,538	31,424
% Ch	9.9	6.9	6.4	3.7	7.2	1.5	12.3	12.1
Employment (Thousands)								
Washington Civilian Labor Force	3,022.2	3,026.6	3,038.6	3,059.1	3,072.2	3,077.9	3,081.7	3,071.5
Total Washington Employment	2,882.1	2,885.9	2,891.3	2,908.5	2,921.9	2,925.9	2,936.2	2,938.5
Unemployment Rate (%)	4.63	4.65	4.85	4.92	4.89	4.94	4.72	4.33
Wage and Salary Employment	2,570.8	2,586.7	2,604.5	2,616.6	2,633.0	2,633.9	2,654.5	2,671.3
% Ch	3.5	2.5	2.8	1.9	2.5	0.1	3.2	2.6
Manufacturing	381.4	381.5	380.2	375.1	371.2	366.5	360.9	357.8
% Ch	4.4	0.0	-1.3	-5.3	-4.1	-4.9	-6.0	-3.5
Durable Manufacturing	272.6	273.2	271.3	266.8	263.4	258.4	252.7	249.0
% Ch	5.6	0.9	-2.6	-6.5	-5.0	-7.3	-8.6	-5.8
Aerospace	112.4	113.7	113.2	110.3	106.6	101.6	95.9	92.0
% Ch	7.4	4.7	-1.5	-10.1	-12.5	-17.7	-20.5	-15.3
Nondurable Manufacturing	108.9	108.3	108.9	108.3	107.8	108.1	108.3	108.8
% Ch	1.5	-2.1	2.1	-2.1	-1.9	1.1	0.6	2.0
Nonmanufacturing	2,189.4	2,205.2	2,224.2	2,241.5	2,261.8	2,267.3	2,293.6	2,313.6
% Ch	3.3	2.9	3.5	3.1	3.7	1.0	4.7	3.5
Construction	140.7	141.6	144.5	147.9	150.3	151.9	154.3	156.3
% Ch	6.0	2.7	8.2	9.8	6.8	4.3	6.3	5.5
Services	698.7	706.2	712.1	720.1	728.2	732.6	744.1	751.7
% Ch	3.8	4.4	3.4	4.6	4.6	2.4	6.5	4.1
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	49.182	43.726	43.654	46.346	42.064	49.319	39.343	40.282
% Ch	86.5	-37.5	-0.7	27.0	-32.1	89.0	-59.5	9.9
Single-Family	29.501	29.453	28.210	27.412	28.404	28.884	27.801	27.354
% Ch	-2.2	-0.6	-15.9	-10.8	15.3	6.9	-14.2	-6.3
Multi-Family	19.681	14.273	15.445	18.934	13.660	20.435	11.542	12.928
% Ch	530.4	-72.3	37.1	125.9	-72.9	400.9	-89.8	57.4
Mortgage Rate (%)	7.05	7.09	6.86	6.77	6.88	7.21	7.80	7.83

Table A1.4
Washington Economic Forecast Summary
 Forecast 2000 to 2003

	2000:1	2000:2	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4
Real Income (Billions of Chained 1996 Dollars)								
Real Personal Income	172.641	172.244	171.407	173.650	175.547	176.950	178.202	179.621
% Ch	0.9	-0.9	-1.9	5.3	4.4	3.2	2.9	3.2
Real Wage and Salary Disb.	102.646	101.465	100.129	101.607	102.468	103.270	104.078	104.836
% Ch	-0.4	-4.5	-5.2	6.0	3.4	3.2	3.2	2.9
Real Nonwage Income	69.995	70.779	71.278	72.043	73.079	73.680	74.125	74.784
% Ch	2.9	4.6	2.8	4.4	5.9	3.3	2.4	3.6
Real Per Capita Income (\$/Person)	29,748	29,605	29,386	29,696	29,945	30,087	30,199	30,335
% Ch	0.1	-1.9	-2.9	4.3	3.4	1.9	1.5	1.8
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.066	1.071	1.077	1.084	1.089	1.094	1.100	1.107
% Ch	3.5	2.1	2.3	2.4	1.9	2.0	2.2	2.4
Seattle Cons. Price Index (1982-84=1.0)	1.761	1.785	1.803	1.814	1.823	1.832	1.842	1.853
% Ch	3.6	5.6	4.1	2.5	2.0	2.0	2.1	2.4
Avg. Hourly Earnings-Mfg. (\$/Hour)	16.54	16.63	16.88	17.17	17.26	17.34	17.43	17.51
% Ch	5.6	2.2	6.2	7.0	2.2	1.9	2.0	1.8
Current Dollar Income (Billions of Dollars)								
Nonfarm Personal Income	184.007	184.542	184.625	188.038	190.924	193.361	195.754	198.452
% Ch	5.1	1.2	0.2	7.6	6.3	5.2	5.0	5.6
Personal Income	183.985	184.506	184.668	188.184	191.155	193.660	196.109	198.853
% Ch	4.4	1.1	0.4	7.8	6.5	5.3	5.2	5.7
Disposable Personal Income	155.855	155.914	155.768	158.839	161.786	164.201	166.467	169.005
% Ch	3.1	0.2	-0.4	8.1	7.6	6.1	5.6	6.2
Per Capita Income (\$/Person)	31,703	31,712	31,660	32,181	32,607	32,928	33,234	33,583
% Ch	3.6	0.1	-0.7	6.8	5.4	4.0	3.8	4.3
Employment (Thousands)								
Washington Civilian Labor Force	3,084.6	3,087.8	3,071.8	3,078.2	3,089.1	3,101.8	3,115.6	3,129.6
Total Washington Employment	2,942.7	2,943.7	2,921.2	2,936.1	2,945.9	2,956.7	2,969.2	2,981.2
Unemployment Rate (%)	4.60	4.67	4.90	4.61	4.63	4.68	4.70	4.74
Wage and Salary Employment	2,692.5	2,712.3	2,716.8	2,721.4	2,731.4	2,742.3	2,754.7	2,766.8
% Ch	3.2	3.0	0.7	0.7	1.5	1.6	1.8	1.8
Manufacturing	352.3	355.9	352.2	351.7	351.0	350.9	351.3	352.2
% Ch	-6.0	4.2	-4.1	-0.6	-0.7	-0.2	0.6	0.9
Durable Manufacturing	243.5	247.5	245.0	245.3	245.2	245.5	246.3	247.4
% Ch	-8.5	6.7	-4.0	0.6	-0.2	0.4	1.3	1.8
Aerospace	84.2	88.2	87.4	86.7	86.0	85.5	85.6	86.1
% Ch	-30.0	20.7	-3.8	-3.0	-3.1	-2.3	0.6	2.0
Nondurable Manufacturing	108.8	108.4	107.2	106.3	105.8	105.4	105.1	104.8
% Ch	0.1	-1.4	-4.5	-3.3	-1.9	-1.7	-1.1	-0.9
Nonmanufacturing	2,340.2	2,356.4	2,364.6	2,369.8	2,380.4	2,391.4	2,403.4	2,414.6
% Ch	4.7	2.8	1.4	0.9	1.8	1.9	2.0	1.9
Construction	159.4	161.4	164.4	165.2	165.4	166.1	166.4	166.8
% Ch	8.1	5.1	7.6	2.0	0.5	1.5	0.9	1.0
Services	765.7	770.7	777.9	783.6	789.5	794.3	800.8	805.9
% Ch	7.6	2.7	3.8	3.0	3.0	2.5	3.3	2.6
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	44.956	40.561	40.550	42.470	40.151	40.479	43.299	44.860
% Ch	55.1	-33.7	-0.1	20.3	-20.1	3.3	30.9	15.2
Single-Family	27.694	26.697	27.388	26.058	24.895	25.168	26.551	27.523
% Ch	5.1	-13.6	10.8	-18.1	-16.7	4.5	23.9	15.5
Multi-Family	17.262	13.864	13.162	16.412	15.256	15.311	16.748	17.337
% Ch	217.9	-58.4	-18.8	141.7	-25.3	1.5	43.2	14.8
Mortgage Rate (%)	8.26	8.32	8.02	8.20	8.01	7.93	7.70	7.47

Table A1.4
Washington Economic Forecast Summary
 Forecast 2000 to 2003

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Real Income (Billions of Chained 1996 Dollars)								
Real Personal Income	181.226	182.685	184.026	185.539	187.237	188.811	190.239	191.836
% Ch	3.6	3.3	3.0	3.3	3.7	3.4	3.1	3.4
Real Wage and Salary Disb.	105.578	106.356	107.122	107.876	108.722	109.581	110.447	111.324
% Ch	2.9	3.0	2.9	2.8	3.2	3.2	3.2	3.2
Real Nonwage Income	75.648	76.329	76.904	77.663	78.515	79.230	79.792	80.513
% Ch	4.7	3.7	3.0	4.0	4.5	3.7	2.9	3.7
Real Per Capita Income (\$/Person)	30,492	30,620	30,725	30,854	31,012	31,146	31,254	31,389
% Ch	2.1	1.7	1.4	1.7	2.1	1.7	1.4	1.7
Price and Wage Indexes								
U.S. Implicit Price Deflator (1996=1.0)	1.114	1.120	1.127	1.133	1.140	1.147	1.154	1.161
% Ch	2.4	2.3	2.4	2.4	2.4	2.4	2.5	2.5
Seattle Cons. Price Index (1982-84=1.0)	1.864	1.876	1.888	1.900	1.913	1.926	1.939	1.952
% Ch	2.5	2.5	2.6	2.7	2.7	2.7	2.7	2.7
Avg. Hourly Earnings-Mfg. (\$/Hour)	17.58	17.66	17.74	17.83	17.92	18.01	18.11	18.20
% Ch	1.7	1.8	1.9	1.9	2.0	2.2	2.1	2.1
Current Dollar Income (Billions of Dollars)								
Nonfarm Personal Income	201.404	204.164	206.856	209.792	212.969	216.055	219.050	222.254
% Ch	6.1	5.6	5.4	5.8	6.2	5.9	5.7	6.0
Personal Income	201.838	204.627	207.338	210.290	213.479	216.574	219.577	222.786
% Ch	6.1	5.6	5.4	5.8	6.2	5.9	5.7	6.0
Disposable Personal Income	172.205	175.004	177.789	180.492	183.441	186.212	188.957	191.658
% Ch	7.8	6.7	6.5	6.2	6.7	6.2	6.0	5.8
Per Capita Income (\$/Person)	33,960	34,298	34,617	34,970	35,358	35,725	36,074	36,453
% Ch	4.6	4.0	3.8	4.2	4.5	4.2	4.0	4.3
Employment (Thousands)								
Washington Civilian Labor Force	3,144.3	3,159.3	3,174.7	3,189.9	3,205.9	3,222.2	3,238.6	3,254.8
Total Washington Employment	2,993.7	3,006.4	3,019.3	3,031.8	3,045.4	3,059.4	3,073.5	3,087.2
Unemployment Rate (%)	4.79	4.84	4.89	4.96	5.01	5.05	5.10	5.15
Wage and Salary Employment	2,779.3	2,792.0	2,804.9	2,817.3	2,830.9	2,844.8	2,858.8	2,872.5
% Ch	1.8	1.8	1.9	1.8	1.9	2.0	2.0	1.9
Manufacturing	352.5	352.9	353.3	354.0	354.7	355.6	356.8	358.2
% Ch	0.4	0.4	0.4	0.8	0.8	1.0	1.4	1.5
Durable Manufacturing	248.1	248.8	249.6	250.4	251.2	252.2	253.4	254.6
% Ch	1.1	1.2	1.2	1.3	1.3	1.6	1.9	2.0
Aerospace	86.6	87.3	87.9	88.6	89.2	89.9	90.6	91.2
% Ch	2.7	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Non durable Manufacturing	104.4	104.1	103.7	103.6	103.4	103.4	103.5	103.6
% Ch	-1.4	-1.4	-1.3	-0.6	-0.5	-0.2	0.3	0.4
Nonmanufacturing	2,426.8	2,439.1	2,451.6	2,463.4	2,476.3	2,489.2	2,502.0	2,514.3
% Ch	2.0	2.0	2.1	1.9	2.1	2.1	2.1	2.0
Construction	167.8	168.8	169.3	169.4	169.4	169.2	169.1	169.2
% Ch	2.3	2.3	1.4	0.2	-0.1	-0.4	-0.2	0.3
Services	811.6	818.4	826.0	832.9	839.6	846.9	853.7	861.3
% Ch	2.9	3.4	3.8	3.4	3.3	3.5	3.3	3.6
Housing Indicators (Thousands)								
Housing Units Authorized by Bldg. Permit	43.810	43.667	42.403	41.052	40.326	39.762	39.761	39.898
% Ch	-9.0	-1.3	-11.1	-12.2	-6.9	-5.5	-0.0	1.4
Single-Family	27.244	27.169	26.794	26.260	25.914	25.846	25.983	26.175
% Ch	-4.0	-1.1	-5.4	-7.7	-5.2	-1.0	2.1	3.0
Multi-Family	16.567	16.498	15.609	14.792	14.412	13.915	13.777	13.723
% Ch	-16.6	-1.6	-19.9	-19.4	-9.9	-13.1	-3.9	-1.6
Mortgage Rate (%)	7.43	7.41	7.33	7.33	7.35	7.36	7.36	7.37

Table A2.1

U.S. Nonagricultural Employment by Industry

Forecast 2000 to 2003

	1996	1997	1998	1999	2000	2001	2002	2003
Wage and Salary Employment	119.60	122.68	125.85	128.77	131.45	132.61	133.65	135.06
% Ch	2.1	2.6	2.6	2.3	2.1	0.9	0.8	1.1
Manufacturing	18.50	18.68	18.81	18.54	18.45	17.99	17.50	17.21
% Ch	-0.2	1.0	0.7	-1.4	-0.5	-2.5	-2.7	-1.7
Nondurable Manufacturing	7.71	7.67	7.60	7.44	7.36	7.16	6.96	6.82
% Ch	-1.7	-0.5	-0.8	-2.1	-1.1	-2.7	-2.8	-2.0
Food and Kindred Products	1.69	1.68	1.68	1.68	1.67	1.66	1.64	1.62
% Ch	-0.0	-0.4	-0.1	-0.4	-0.1	-0.8	-1.3	-1.1
Pulp and Paper	0.68	0.68	0.68	0.67	0.66	0.64	0.63	0.62
% Ch	-1.4	-0.1	-0.8	-1.4	-1.4	-3.1	-1.7	-1.3
Apparel	0.87	0.82	0.77	0.69	0.65	0.59	0.54	0.51
% Ch	-7.3	-5.0	-7.0	-9.6	-6.0	-8.8	-8.2	-6.4
Printing	1.54	1.55	1.56	1.55	1.55	1.54	1.50	1.48
% Ch	-0.3	0.8	0.8	-0.8	0.1	-1.1	-2.2	-1.6
Chemicals	1.03	1.04	1.04	1.03	1.02	1.00	0.97	0.95
% Ch	-0.4	0.2	0.7	-0.9	-0.9	-2.2	-2.9	-2.0
Other Nondurables	1.89	1.88	1.87	1.82	1.79	1.73	1.67	1.64
% Ch	-2.5	-0.2	-1.0	-2.7	-1.3	-3.7	-3.3	-1.9
Durable Manufacturing	10.79	11.01	11.21	11.10	11.09	10.83	10.54	10.38
% Ch	1.0	2.0	1.8	-0.9	-0.1	-2.3	-2.7	-1.5
Lumber and Wood	0.78	0.80	0.81	0.83	0.82	0.80	0.79	0.76
% Ch	1.2	2.2	2.2	1.9	-0.9	-2.0	-2.3	-3.0
Furniture	0.50	0.51	0.53	0.55	0.56	0.55	0.53	0.51
% Ch	-1.0	1.6	4.0	2.9	1.5	-2.0	-3.6	-3.0
Stone-Clay-Glass	0.54	0.55	0.56	0.56	0.57	0.55	0.52	0.49
% Ch	0.8	1.6	1.7	0.3	0.5	-3.6	-4.4	-5.4
Primary Metals	0.71	0.71	0.71	0.70	0.69	0.67	0.64	0.62
% Ch	-0.2	0.0	0.6	-2.1	-0.8	-4.2	-3.5	-2.9
Fabricated Metals	1.45	1.48	1.51	1.52	1.53	1.47	1.41	1.37
% Ch	0.8	2.1	2.1	0.5	0.8	-3.8	-4.3	-2.9
Nonelectrical Machinery	2.11	2.17	2.21	2.14	2.13	2.12	2.07	2.09
% Ch	2.3	2.5	1.8	-3.0	-0.3	-0.5	-2.5	0.7
Electrical Machinery	1.66	1.69	1.71	1.67	1.70	1.69	1.70	1.71
% Ch	2.2	1.7	1.1	-2.2	2.0	-0.8	0.4	1.0
Transportation Equipment	1.78	1.85	1.89	1.88	1.85	1.77	1.69	1.65
% Ch	-0.3	3.4	2.6	-0.4	-1.9	-4.4	-4.1	-2.6
Instruments	0.86	0.87	0.87	0.86	0.85	0.83	0.82	0.81
% Ch	1.4	1.2	0.8	-1.9	-1.2	-1.4	-1.6	-1.1
Other Durables	0.39	0.39	0.39	0.39	0.39	0.39	0.37	0.37
% Ch	-0.5	1.0	0.7	0.0	-0.1	-2.1	-3.0	-2.1
Nonmanufacturing	101.10	104.00	107.04	110.23	113.00	114.62	116.15	117.85
% Ch	2.5	2.9	2.9	3.0	2.5	1.4	1.3	1.5
Mining	0.58	0.60	0.59	0.54	0.55	0.55	0.51	0.50
% Ch	-0.1	2.9	-1.1	-9.2	1.8	0.4	-6.1	-2.9
Construction	5.42	5.69	6.02	6.40	6.67	6.68	6.69	6.63
% Ch	4.8	5.0	5.7	6.4	4.2	0.1	0.2	-0.9
Trans., Comm. and Utilities	6.25	6.41	6.61	6.82	6.97	7.03	7.08	7.17
% Ch	2.0	2.5	3.2	3.2	2.2	0.8	0.8	1.2
Wholesale Trade	6.48	6.65	6.80	6.92	7.05	7.12	7.17	7.23
% Ch	1.6	2.6	2.3	1.8	1.9	0.9	0.8	0.8
Retail Trade	21.60	21.97	22.29	22.79	23.18	23.51	23.61	23.81
% Ch	1.9	1.7	1.5	2.2	1.7	1.4	0.4	0.8
Finance-Insurance-Real Estate	6.91	7.11	7.39	7.57	7.63	7.75	7.91	8.02
% Ch	1.5	2.8	3.9	2.5	0.7	1.6	2.1	1.4
Services	34.46	36.04	37.53	39.02	40.41	41.42	42.41	43.57
% Ch	4.0	4.6	4.1	4.0	3.5	2.5	2.4	2.7
State and Local Government	16.65	16.85	17.13	17.49	17.77	17.96	18.13	18.31
% Ch	1.1	1.2	1.6	2.1	1.6	1.1	1.0	1.0
Federal Government	2.76	2.70	2.69	2.67	2.77	2.61	2.63	2.62
% Ch	-2.3	-2.1	-0.5	-0.6	3.9	-5.9	0.6	-0.3

Table A2.2
U.S. Nonagricultural Employment by Industry
 Forecast 2000 to 2003

	1998:1	1998:2	1998:3	1998:4	1999:1	1999:2	1999:3	1999:4
Wage and Salary Employment	124.75	125.49	126.18	126.97	127.80	128.43	129.07	129.78
% Ch	2.6	2.4	2.2	2.5	2.6	2.0	2.0	2.2
Manufacturing	18.87	18.87	18.77	18.72	18.63	18.54	18.52	18.48
% Ch	1.5	-0.0	-2.2	-1.0	-1.8	-1.9	-0.6	-0.7
Nondurable Manufacturing	7.65	7.63	7.59	7.54	7.50	7.45	7.41	7.40
% Ch	-0.5	-1.1	-2.1	-2.3	-2.1	-2.8	-2.0	-0.8
Food and Kindred Products	1.68	1.68	1.68	1.68	1.69	1.68	1.67	1.67
% Ch	-0.2	0.5	-0.6	0.0	0.9	-2.2	-1.3	0.6
Pulp and Paper	0.68	0.68	0.68	0.67	0.67	0.67	0.67	0.67
% Ch	-0.4	-1.4	-1.8	-1.8	-1.0	-1.4	-1.2	-1.2
Apparel	0.79	0.78	0.76	0.74	0.72	0.70	0.68	0.67
% Ch	-6.9	-8.8	-7.5	-12.0	-10.4	-9.2	-9.2	-6.1
Printing	1.56	1.57	1.57	1.56	1.56	1.55	1.55	1.55
% Ch	1.3	0.8	-0.2	-0.8	-1.2	-1.5	-0.1	-0.6
Chemicals	1.04	1.04	1.04	1.04	1.04	1.03	1.03	1.03
% Ch	0.5	1.0	0.3	-0.8	-1.4	-1.4	-1.5	0.0
Other Nondurables	1.89	1.88	1.86	1.85	1.83	1.82	1.81	1.81
% Ch	-0.1	-1.6	-4.2	-2.6	-2.9	-3.0	-2.0	-0.6
Durable Manufacturing	11.23	11.24	11.18	11.17	11.13	11.09	11.10	11.08
% Ch	2.9	0.7	-2.3	-0.2	-1.6	-1.3	0.4	-0.7
Lumber and Wood	0.81	0.81	0.81	0.82	0.83	0.83	0.83	0.83
% Ch	2.3	2.5	1.7	2.6	3.3	0.0	1.1	0.8
Furniture	0.53	0.53	0.54	0.54	0.54	0.55	0.55	0.55
% Ch	6.1	5.2	2.0	2.3	3.5	2.2	4.7	0.5
Stone-Clay-Glass	0.56	0.56	0.56	0.56	0.56	0.56	0.56	0.56
% Ch	4.4	-0.2	1.2	1.7	0.0	-0.9	0.0	0.5
Primary Metals	0.72	0.72	0.71	0.71	0.70	0.70	0.70	0.70
% Ch	2.1	-0.6	-2.4	-3.5	-2.2	-2.4	-0.2	-0.8
Fabricated Metals	1.51	1.51	1.51	1.51	1.52	1.52	1.52	1.52
% Ch	2.8	1.0	-1.1	1.6	1.1	-0.4	0.4	0.9
Nonelectrical Machinery	2.22	2.22	2.21	2.18	2.15	2.14	2.14	2.13
% Ch	3.1	0.4	-2.1	-4.2	-5.4	-2.2	-0.9	-1.1
Electrical Machinery	1.73	1.72	1.70	1.68	1.67	1.67	1.67	1.67
% Ch	2.9	-1.1	-4.0	-4.7	-3.1	-0.6	1.1	0.1
Transportation Equipment	1.89	1.90	1.87	1.91	1.90	1.88	1.89	1.87
% Ch	2.7	1.4	-6.6	8.8	-2.2	-3.0	0.5	-3.3
Instruments	0.88	0.88	0.87	0.87	0.86	0.86	0.85	0.85
% Ch	1.1	0.6	-1.5	-3.2	-1.4	-2.6	-1.2	-2.6
Other Durables	0.40	0.40	0.40	0.39	0.39	0.39	0.40	0.40
% Ch	3.1	-0.3	0.0	-4.3	0.3	2.4	1.4	2.7
Nonmanufacturing	105.88	106.61	107.42	108.25	109.17	109.89	110.56	111.30
% Ch	2.8	2.8	3.0	3.1	3.4	2.7	2.5	2.7
Mining	0.60	0.60	0.59	0.57	0.55	0.53	0.53	0.53
% Ch	1.8	-4.1	-7.4	-8.2	-13.9	-13.1	-4.7	1.3
Construction	5.87	5.96	6.06	6.18	6.30	6.38	6.42	6.51
% Ch	6.5	6.2	6.8	8.3	8.3	4.8	2.4	6.2
Trans., Comm. and Utilities	6.53	6.58	6.64	6.70	6.75	6.80	6.85	6.89
% Ch	2.7	3.4	3.6	3.6	3.4	2.7	3.0	2.7
Wholesale Trade	6.76	6.79	6.81	6.83	6.86	6.90	6.95	6.99
% Ch	2.9	1.8	0.9	1.5	1.8	2.0	2.7	2.5
Retail Trade	22.15	22.22	22.35	22.46	22.64	22.77	22.84	22.90
% Ch	0.7	1.4	2.3	2.1	3.2	2.3	1.2	1.0
Finance-Insurance-Real Estate	7.29	7.36	7.42	7.48	7.53	7.56	7.59	7.61
% Ch	4.3	4.4	3.3	3.0	2.5	1.8	1.5	1.0
Services	37.00	37.34	37.69	38.07	38.47	38.84	39.19	39.60
% Ch	4.2	3.7	3.8	4.1	4.2	3.9	3.7	4.2
State and Local Government	17.00	17.09	17.17	17.24	17.35	17.44	17.54	17.63
% Ch	1.3	1.9	2.1	1.6	2.7	2.0	2.4	2.0
Federal Government	2.67	2.67	2.69	2.71	2.71	2.67	2.66	2.65
% Ch	-1.5	-0.1	1.9	3.8	-0.9	-5.1	-2.2	-1.3

Table A2.2

U.S. Nonagricultural Employment by Industry

Forecast 2000 to 2003

	2000:1	2000:2	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4
Wage and Salary Employment	130.63	131.55	131.62	132.01	132.25	132.51	132.72	132.95
% Ch	2.6	2.9	0.2	1.2	0.7	0.8	0.6	0.7
Manufacturing	18.48	18.49	18.48	18.35	18.18	18.04	17.93	17.81
% Ch	-0.0	0.1	-0.1	-2.8	-3.6	-3.0	-2.4	-2.7
Nondurable Manufacturing	7.39	7.38	7.36	7.30	7.24	7.18	7.13	7.08
% Ch	-0.5	-0.5	-1.0	-3.3	-3.4	-3.1	-2.6	-2.7
Food and Kindred Products	1.67	1.68	1.68	1.67	1.67	1.66	1.66	1.65
% Ch	0.2	0.6	0.1	-1.7	-0.8	-0.8	-1.0	-1.3
Pulp and Paper	0.66	0.66	0.66	0.65	0.64	0.64	0.64	0.63
% Ch	-1.2	-0.6	-0.4	-7.0	-3.7	-2.3	-1.4	-1.6
Apparel	0.67	0.66	0.65	0.63	0.62	0.60	0.59	0.57
% Ch	-3.7	-3.8	-7.9	-7.9	-10.1	-11.3	-7.6	-8.1
Printing	1.55	1.55	1.56	1.55	1.55	1.54	1.53	1.53
% Ch	0.2	1.2	1.2	-1.7	-1.4	-1.5	-1.7	-2.3
Chemicals	1.03	1.03	1.02	1.01	1.01	1.01	1.00	0.99
% Ch	0.0	-0.9	-2.2	-3.1	-2.0	-1.5	-2.6	-3.1
Other Nondurables	1.80	1.80	1.79	1.78	1.75	1.73	1.72	1.70
% Ch	-0.6	-1.6	-0.9	-3.2	-5.6	-4.8	-3.4	-2.6
Durable Manufacturing	11.09	11.11	11.12	11.05	10.94	10.86	10.80	10.73
% Ch	0.3	0.6	0.5	-2.5	-3.8	-2.9	-2.3	-2.8
Lumber and Wood	0.83	0.83	0.82	0.81	0.80	0.81	0.80	0.80
% Ch	-0.2	-1.1	-4.7	-5.4	-1.1	0.3	-0.5	-0.6
Furniture	0.55	0.56	0.56	0.55	0.55	0.55	0.54	0.54
% Ch	0.7	2.9	1.8	-4.0	-2.7	-2.5	-2.5	-3.1
Stone-Clay-Glass	0.57	0.57	0.57	0.56	0.55	0.55	0.54	0.54
% Ch	2.9	-0.5	1.9	-5.8	-4.6	-4.8	-3.2	-3.1
Primary Metals	0.70	0.70	0.69	0.68	0.68	0.67	0.66	0.65
% Ch	1.2	-0.4	-3.2	-5.2	-4.6	-4.5	-4.4	-4.0
Fabricated Metals	1.53	1.54	1.54	1.52	1.50	1.48	1.46	1.45
% Ch	1.4	2.9	0.2	-4.7	-5.1	-5.3	-5.0	-3.8
Nonelectrical Machinery	2.13	2.13	2.14	2.14	2.13	2.13	2.12	2.11
% Ch	-0.5	-0.3	1.7	1.3	-1.9	-0.3	-1.5	-2.4
Electrical Machinery	1.68	1.69	1.72	1.72	1.70	1.69	1.69	1.69
% Ch	2.4	2.9	6.7	-0.5	-4.7	-2.5	0.3	-0.7
Transportation Equipment	1.86	1.86	1.84	1.83	1.80	1.77	1.76	1.74
% Ch	-1.3	-0.4	-3.8	-3.7	-6.0	-5.3	-3.7	-4.6
Instruments	0.84	0.84	0.85	0.84	0.84	0.84	0.83	0.83
% Ch	-2.0	-0.3	2.1	-1.8	-2.6	-1.8	-0.8	-2.3
Other Durables	0.40	0.39	0.39	0.39	0.39	0.39	0.39	0.38
% Ch	0.0	-3.3	-1.0	-2.0	-1.8	-2.4	-2.5	-3.2
Nonmanufacturing	112.14	113.06	113.14	113.66	114.07	114.47	114.78	115.14
% Ch	3.1	3.3	0.3	1.9	1.5	1.4	1.1	1.2
Mining	0.53	0.54	0.55	0.56	0.56	0.56	0.54	0.53
% Ch	3.3	4.6	6.4	10.3	2.1	-4.7	-10.6	-10.5
Construction	6.67	6.68	6.67	6.67	6.67	6.67	6.68	6.68
% Ch	9.7	0.6	-0.3	-0.1	-0.1	-0.1	1.1	0.1
Trans., Comm. and Utilities	6.94	6.97	6.98	7.01	7.01	7.01	7.04	7.04
% Ch	2.6	2.0	0.4	1.5	0.5	-0.0	1.8	-0.2
Wholesale Trade	7.02	7.05	7.06	7.09	7.10	7.10	7.13	7.14
% Ch	1.6	2.0	0.5	1.6	0.7	0.2	1.3	0.7
Retail Trade	22.99	23.13	23.21	23.40	23.44	23.58	23.48	23.55
% Ch	1.7	2.4	1.4	3.3	0.7	2.4	-1.7	1.1
Finance-Insurance-Real Estate	7.62	7.60	7.62	7.67	7.70	7.73	7.76	7.80
% Ch	0.7	-1.0	0.9	2.7	1.7	1.6	1.3	2.4
Services	39.95	40.27	40.59	40.81	41.10	41.28	41.56	41.74
% Ch	3.6	3.3	3.2	2.2	2.8	1.8	2.8	1.7
State and Local Government	17.70	17.76	17.79	17.84	17.89	17.94	17.99	18.03
% Ch	1.7	1.2	0.9	1.1	1.1	1.1	1.0	0.9
Federal Government	2.73	3.07	2.68	2.62	2.60	2.60	2.60	2.63
% Ch	12.7	61.1	-42.4	-8.1	-2.8	0.1	0.2	4.2

Table A2.2

U.S. Nonagricultural Employment by Industry

Forecast 2000 to 2003

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Wage and Salary Employment	133.18	133.46	133.81	134.14	134.50	134.88	135.24	135.62
% Ch	0.7	0.8	1.1	1.0	1.1	1.1	1.1	1.1
Manufacturing	17.67	17.54	17.42	17.36	17.28	17.21	17.19	17.15
% Ch	-3.1	-2.8	-2.8	-1.5	-1.7	-1.6	-0.6	-0.9
Nondurable Manufacturing	7.03	6.98	6.93	6.90	6.86	6.83	6.81	6.78
% Ch	-3.0	-3.0	-2.9	-1.7	-1.9	-2.0	-1.2	-1.5
Food and Kindred Products	1.65	1.64	1.63	1.63	1.63	1.62	1.62	1.62
% Ch	-1.5	-1.4	-1.6	-0.7	-1.2	-1.2	-0.5	-0.9
Pulp and Paper	0.63	0.63	0.63	0.63	0.62	0.62	0.62	0.62
% Ch	-1.7	-1.8	-1.7	-0.8	-1.3	-1.6	-0.9	-1.5
Apparel	0.56	0.55	0.54	0.53	0.52	0.51	0.51	0.50
% Ch	-8.6	-7.8	-7.9	-6.4	-6.5	-6.2	-4.7	-5.5
Printing	1.52	1.51	1.50	1.49	1.49	1.48	1.48	1.47
% Ch	-2.4	-2.4	-2.3	-1.4	-1.7	-1.6	-0.9	-1.3
Chemicals	0.98	0.97	0.97	0.96	0.96	0.95	0.95	0.95
% Ch	-3.5	-3.2	-2.5	-1.8	-2.0	-2.0	-1.6	-1.8
Other Nondurables	1.69	1.68	1.66	1.65	1.65	1.64	1.63	1.63
% Ch	-3.3	-3.6	-3.5	-1.7	-1.6	-1.9	-0.9	-0.7
Durable Manufacturing	10.64	10.57	10.49	10.46	10.42	10.38	10.38	10.36
% Ch	-3.2	-2.8	-2.7	-1.3	-1.6	-1.3	-0.2	-0.4
Lumber and Wood	0.80	0.79	0.78	0.78	0.77	0.76	0.76	0.76
% Ch	-2.9	-4.4	-3.6	-2.9	-3.3	-3.0	-1.9	-1.4
Furniture	0.53	0.53	0.52	0.52	0.51	0.51	0.51	0.51
% Ch	-4.6	-4.0	-3.5	-3.3	-3.8	-2.2	-1.4	-1.8
Stone-Clay-Glass	0.53	0.53	0.52	0.51	0.50	0.50	0.49	0.48
% Ch	-4.4	-5.2	-6.4	-4.7	-5.4	-6.0	-4.7	-4.4
Primary Metals	0.65	0.64	0.64	0.64	0.63	0.63	0.62	0.62
% Ch	-3.5	-3.1	-2.6	-2.2	-3.1	-3.3	-2.9	-3.3
Fabricated Metals	1.43	1.41	1.40	1.39	1.38	1.37	1.36	1.36
% Ch	-4.7	-4.1	-4.1	-2.8	-3.2	-2.6	-1.4	-1.7
Nonelectrical Machinery	2.09	2.07	2.06	2.06	2.07	2.07	2.09	2.11
% Ch	-4.0	-3.1	-3.1	1.5	0.4	1.7	3.1	3.9
Electrical Machinery	1.69	1.69	1.70	1.71	1.71	1.71	1.72	1.72
% Ch	-0.1	2.2	0.9	2.0	0.2	0.5	1.6	1.1
Transportation Equipment	1.72	1.70	1.69	1.67	1.66	1.65	1.65	1.64
% Ch	-3.9	-4.0	-3.5	-4.1	-1.6	-2.6	-1.2	-2.5
Instruments	0.83	0.82	0.82	0.82	0.81	0.81	0.81	0.81
% Ch	-0.8	-2.6	-1.5	-0.8	-1.1	-0.9	-0.7	-1.3
Other Durables	0.38	0.38	0.37	0.37	0.37	0.37	0.37	0.36
% Ch	-3.7	-3.0	-2.8	-1.9	-2.2	-2.1	-1.5	-1.8
Nonmanufacturing	115.50	115.91	116.39	116.78	117.22	117.67	118.05	118.47
% Ch	1.3	1.4	1.7	1.4	1.5	1.5	1.3	1.4
Mining	0.52	0.51	0.51	0.51	0.51	0.50	0.50	0.49
% Ch	-5.8	-3.2	-1.8	-2.5	-3.1	-3.2	-3.5	-3.1
Construction	6.68	6.69	6.70	6.69	6.67	6.65	6.62	6.60
% Ch	-0.1	0.6	0.5	-0.7	-1.0	-1.5	-1.9	-1.0
Trans., Comm. and Utilities	7.05	7.07	7.09	7.11	7.13	7.15	7.17	7.21
% Ch	0.4	1.2	1.4	1.1	1.1	1.2	1.1	1.9
Wholesale Trade	7.15	7.16	7.19	7.20	7.21	7.23	7.24	7.26
% Ch	0.6	0.9	1.3	0.8	0.7	0.8	0.5	1.2
Retail Trade	23.60	23.61	23.60	23.62	23.72	23.79	23.86	23.85
% Ch	0.9	0.1	-0.2	0.5	1.6	1.2	1.2	-0.1
Finance-Insurance-Real Estate	7.85	7.89	7.94	7.97	7.99	8.01	8.02	8.05
% Ch	2.4	2.0	2.7	1.7	0.9	1.1	0.5	1.4
Services	41.96	42.24	42.57	42.85	43.12	43.43	43.70	44.02
% Ch	2.1	2.7	3.2	2.6	2.5	2.9	2.5	3.0
State and Local Government	18.07	18.11	18.16	18.20	18.24	18.29	18.33	18.38
% Ch	1.0	0.9	1.0	1.0	1.0	0.9	1.0	1.0
Federal Government	2.63	2.63	2.63	2.62	2.62	2.62	2.62	2.61
% Ch	-0.4	-0.1	-0.1	-0.9	-0.2	-0.2	-0.2	-0.2

Table A2.3
Washington Nonagricultural Employment by Industry
 Forecast 2000 to 2003

	1996	1997	1998	1999	2000	2001	2002	2003
Wage and Salary Employment	2,415.6	2,514.2	2,594.7	2,648.2	2,710.8	2,748.8	2,798.4	2,851.8
% Ch	2.9	4.1	3.2	2.1	2.4	1.4	1.8	1.9
Manufacturing	344.8	370.0	379.6	364.1	353.0	351.4	353.2	356.3
% Ch	3.7	7.3	2.6	-4.1	-3.0	-0.5	0.5	0.9
Nondurable Manufacturing	109.7	108.8	108.6	108.2	107.7	105.3	103.9	103.5
% Ch	1.1	-0.9	-0.2	-0.3	-0.5	-2.3	-1.2	-0.5
Food and Kindred Products	42.4	41.3	40.7	41.0	40.6	39.8	39.7	39.9
% Ch	0.8	-2.5	-1.4	0.7	-1.0	-2.0	-0.2	0.6
Pulp and Paper	16.8	16.3	16.2	15.8	15.5	15.3	15.3	15.3
% Ch	-2.5	-3.1	-0.7	-2.2	-2.2	-1.1	0.0	0.1
Apparel	9.6	10.1	9.6	8.8	8.2	7.6	7.1	6.7
% Ch	4.3	5.9	-5.5	-8.6	-6.2	-7.6	-6.7	-4.7
Printing	24.4	24.2	24.4	24.2	24.5	23.8	23.1	22.7
% Ch	1.4	-1.0	0.9	-0.8	1.5	-2.8	-3.1	-1.7
Chemicals	5.6	5.7	6.0	6.1	6.3	6.4	6.4	6.6
% Ch	1.3	0.9	6.1	2.2	2.3	1.9	0.8	2.2
Other Nondurables	10.9	11.2	11.7	12.3	12.6	12.3	12.3	12.2
% Ch	5.0	2.3	4.5	5.1	2.3	-2.1	-0.2	-1.1
Durable Manufacturing	235.0	261.3	271.0	255.9	245.3	246.1	249.2	252.9
% Ch	5.0	11.2	3.7	-5.6	-4.1	0.3	1.3	1.5
Lumber and Wood	35.2	35.6	34.2	33.9	33.4	32.6	31.9	30.9
% Ch	-0.7	1.2	-4.1	-0.7	-1.5	-2.4	-2.2	-3.3
Furniture	4.0	4.1	4.7	4.7	4.9	4.9	4.9	4.9
% Ch	6.5	3.1	14.5	1.4	2.6	-0.1	0.3	0.1
Stone-Clay-Glass	9.0	9.5	9.1	8.8	9.2	9.0	9.0	8.9
% Ch	1.9	5.8	-4.0	-3.6	4.4	-1.7	-0.7	-0.6
Primary Metals	11.5	11.6	12.0	11.7	11.1	10.9	10.9	10.7
% Ch	2.4	1.2	3.0	-2.6	-5.2	-1.5	0.1	-2.0
Fabricated Metals	13.3	14.3	14.8	14.6	15.0	14.9	14.6	14.5
% Ch	1.7	7.4	3.7	-1.2	2.5	-0.9	-1.7	-0.4
Nonelectrical Machinery	24.4	26.6	26.1	25.1	25.7	26.5	27.2	28.2
% Ch	11.6	8.9	-1.8	-3.7	2.4	3.0	2.4	3.8
Electrical Machinery	15.3	17.0	18.5	18.4	19.9	21.4	22.3	22.9
% Ch	9.4	11.0	8.8	-0.8	8.6	7.0	4.4	2.6
Aerospace	86.3	105.0	112.4	99.0	86.6	85.8	87.6	90.2
% Ch	7.7	21.6	7.1	-11.9	-12.6	-0.9	2.1	3.0
Other Trans. Equip.	14.1	14.5	15.6	16.0	15.7	15.9	16.1	16.2
% Ch	-4.5	2.9	7.6	2.3	-2.1	1.5	1.1	0.6
Instruments	13.7	14.5	14.9	14.7	14.8	15.1	15.5	15.9
% Ch	6.6	5.9	2.7	-1.1	0.4	2.1	2.5	2.6
Other Durables	8.3	8.5	8.7	8.8	9.1	9.1	9.3	9.6
% Ch	4.9	3.3	1.6	1.8	2.6	1.1	2.1	2.8
Nonmanufacturing	2,070.8	2,144.2	2,215.1	2,284.1	2,357.7	2,397.5	2,445.2	2,495.4
% Ch	2.8	3.5	3.3	3.1	3.2	1.7	2.0	2.1
Mining	3.4	3.5	3.3	3.3	3.5	3.5	3.5	3.5
% Ch	1.2	2.7	-6.1	1.3	4.9	-0.4	0.8	1.0
Construction	127.8	136.3	143.7	153.2	162.6	166.2	168.8	169.2
% Ch	4.8	6.6	5.4	6.6	6.1	2.2	1.6	0.2
Trans., Comm. and Utilities	124.9	132.8	135.6	139.6	146.2	149.5	151.9	154.6
% Ch	4.4	6.3	2.1	3.0	4.7	2.3	1.7	1.8
Wholesale Trade	144.4	149.6	153.1	154.6	155.2	155.9	157.9	159.6
% Ch	1.3	3.6	2.3	1.0	0.4	0.4	1.3	1.1
Retail Trade	446.5	457.4	469.6	482.3	496.2	501.8	508.3	516.3
% Ch	2.1	2.4	2.7	2.7	2.9	1.1	1.3	1.6
Finance-Insurance-Real Estate	123.9	127.7	134.6	137.2	138.2	140.9	144.6	147.7
% Ch	2.0	3.0	5.4	2.0	0.7	1.9	2.6	2.2
Services	649.1	678.8	709.3	739.1	774.4	797.6	822.2	850.4
% Ch	4.1	4.6	4.5	4.2	4.8	3.0	3.1	3.4
State and Local Government	382.1	390.2	398.8	407.1	412.3	415.4	420.6	426.6
% Ch	2.0	2.1	2.2	2.1	1.3	0.7	1.3	1.4
Federal Government	68.6	67.9	67.2	67.6	69.0	66.8	67.3	67.5
% Ch	-2.1	-1.1	-0.9	0.6	2.1	-3.3	0.8	0.3

Table A2.4
Washington Nonagricultural Employment by Industry
 Forecast 2000 to 2003

	1998:1	1998:2	1998:3	1998:4	1999:1	1999:2	1999:3	1999:4
Wage and Salary Employment	2,570.8	2,586.7	2,604.5	2,616.6	2,633.0	2,633.9	2,654.5	2,671.3
% Ch	3.5	2.5	2.8	1.9	2.5	0.1	3.2	2.6
Manufacturing	381.4	381.5	380.2	375.1	371.2	366.5	360.9	357.8
% Ch	4.4	0.0	-1.3	-5.3	-4.1	-4.9	-6.0	-3.5
Nondurable Manufacturing	108.9	108.3	108.9	108.3	107.8	108.1	108.3	108.8
% Ch	1.5	-2.1	2.1	-2.1	-1.9	1.1	0.6	2.0
Food and Kindred Products	40.6	40.3	40.9	41.0	40.8	41.0	41.1	41.2
% Ch	-4.3	-3.3	6.8	0.9	-2.1	1.8	0.6	0.9
Pulp and Paper	16.4	16.2	16.1	16.0	15.8	15.9	15.8	15.8
% Ch	4.6	2.8	1.4	-4.2	-1.9	-0.3	-0.2	3.1
Apparel	10.1	9.8	9.5	9.0	8.8	8.6	8.7	8.9
% Ch	-3.6	-10.3	-14.1	-19.7	-7.9	-6.5	4.2	9.1
Printing	24.3	24.4	24.5	24.3	24.2	24.1	24.1	24.3
% Ch	4.6	2.8	1.4	-4.2	-1.9	-0.3	-0.2	3.1
Chemicals	6.0	6.0	6.0	6.0	6.1	6.0	6.2	6.2
% Ch	17.2	-1.7	5.9	-0.8	3.0	-1.7	9.8	2.2
Other Nondurables	11.5	11.6	11.8	12.0	12.2	12.3	12.3	12.4
% Ch	9.7	3.8	5.8	7.7	7.3	4.5	-0.5	2.5
Durable Manufacturing	272.6	273.2	271.3	266.8	263.4	258.4	252.7	249.0
% Ch	5.6	0.9	-2.6	-6.5	-5.0	-7.3	-8.6	-5.8
Lumber and Wood	34.6	34.3	33.6	34.1	34.1	34.0	33.8	33.8
% Ch	-9.1	-3.7	-7.2	5.3	0.1	-1.4	-1.5	-0.6
Furniture	4.6	4.7	4.7	4.8	4.8	4.7	4.8	4.7
% Ch	49.2	4.6	2.6	7.8	-1.3	-3.1	2.9	-0.4
Stone-Clay-Glass	9.6	9.3	9.0	8.8	8.8	8.8	8.9	8.8
% Ch	-5.5	-11.9	-13.0	-7.8	0.7	-1.5	4.4	-0.6
Primary Metals	12.3	12.2	12.2	11.2	11.6	11.9	11.6	11.6
% Ch	16.8	-2.0	-0.6	-30.0	16.0	9.4	-6.8	-3.2
Fabricated Metals	14.9	15.0	14.7	14.7	14.6	14.4	14.7	14.9
% Ch	3.2	2.6	-6.0	-2.2	-2.7	-4.8	9.5	4.6
Nonelectrical Machinery	27.2	26.4	25.6	25.2	25.1	25.0	25.2	25.2
% Ch	3.7	-10.9	-11.3	-6.7	-1.0	-1.3	2.4	0.0
Electrical Machinery	18.2	18.5	18.7	18.6	18.5	18.5	18.3	18.2
% Ch	9.4	6.5	4.7	-2.3	-2.0	-1.1	-4.3	-2.3
Aerospace	112.4	113.7	113.2	110.3	106.6	101.6	95.9	92.0
% Ch	7.4	4.7	-1.5	-10.1	-12.5	-17.7	-20.5	-15.3
Other Trans. Equip.	15.1	15.4	16.0	16.0	15.9	16.1	16.0	16.0
% Ch	13.1	9.4	14.9	1.4	-3.4	6.2	-4.0	0.7
Instruments	15.0	14.9	14.8	14.8	14.8	14.9	14.6	14.7
% Ch	9.9	-2.5	-2.6	-2.4	0.2	2.8	-5.6	0.6
Other Durables	8.7	8.8	8.7	8.5	8.7	8.7	8.9	9.1
% Ch	9.1	3.6	-4.2	-9.0	9.2	-1.4	10.0	11.5
Nonmanufacturing	2,189.4	2,205.2	2,224.2	2,241.5	2,261.8	2,267.3	2,293.6	2,313.6
% Ch	3.3	2.9	3.5	3.1	3.7	1.0	4.7	3.5
Mining	3.3	3.3	3.2	3.3	3.4	3.4	3.3	3.3
% Ch	-14.7	-1.3	-7.0	2.2	17.0	-1.2	-14.2	1.1
Construction	140.7	141.6	144.5	147.9	150.3	151.9	154.3	156.3
% Ch	6.0	2.7	8.2	9.8	6.8	4.3	6.3	5.5
Trans., Comm. and Utilities	134.3	135.1	135.8	137.3	137.8	137.8	140.2	142.7
% Ch	0.3	2.5	2.3	4.3	1.6	-0.3	7.2	7.4
Wholesale Trade	152.5	153.2	153.2	153.4	154.4	153.9	154.4	155.6
% Ch	1.6	2.1	-0.2	0.5	2.7	-1.4	1.5	3.1
Retail Trade	465.1	468.2	470.9	474.3	479.1	478.1	483.3	488.5
% Ch	3.0	2.7	2.4	2.9	4.1	-0.8	4.4	4.4
Finance-Insurance-Real Estate	131.8	133.8	135.5	137.1	136.8	136.9	137.1	137.9
% Ch	6.7	6.2	5.2	4.6	-0.7	0.3	0.5	2.5
Services	698.7	706.2	712.1	720.1	728.2	732.6	744.1	751.7
% Ch	3.8	4.4	3.4	4.6	4.6	2.4	6.5	4.1
State and Local Government	395.6	397.0	401.8	400.8	403.6	405.5	409.6	409.7
% Ch	3.8	1.4	4.9	-1.0	2.9	1.9	4.2	0.1
Federal Government	67.5	66.8	67.2	67.5	68.0	67.3	67.3	67.8
% Ch	-3.1	-4.0	2.6	1.5	3.4	-4.1	0.1	2.6

Table A2.4
Washington Nonagricultural Employment by Industry
 Forecast 2000 to 2003

	2000:1	2000:2	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4
Wage and Salary Employment	2,692.5	2,712.3	2,716.8	2,721.4	2,731.4	2,742.3	2,754.7	2,766.8
% Ch	3.2	3.0	0.7	0.7	1.5	1.6	1.8	1.8
Manufacturing	352.3	355.9	352.2	351.7	351.0	350.9	351.3	352.2
% Ch	-6.0	4.2	-4.1	-0.6	-0.7	-0.2	0.6	0.9
Nondurable Manufacturing	108.8	108.4	107.2	106.3	105.8	105.4	105.1	104.8
% Ch	0.1	-1.4	-4.5	-3.3	-1.9	-1.7	-1.1	-0.9
Food and Kindred Products	41.1	41.1	40.4	39.8	39.8	39.8	39.8	39.8
% Ch	-0.6	0.3	-7.4	-5.7	0.1	-0.1	-0.1	0.2
Pulp and Paper	15.6	15.6	15.4	15.3	15.3	15.3	15.3	15.4
% Ch	-4.2	-0.0	-6.9	-0.2	-0.9	-0.0	0.5	0.6
Apparel	8.4	8.3	8.1	8.0	7.8	7.6	7.5	7.4
% Ch	-20.1	-5.7	-7.2	-7.8	-7.9	-9.1	-6.2	-6.8
Printing	24.6	24.6	24.5	24.3	24.1	23.9	23.8	23.6
% Ch	5.3	0.1	-1.5	-3.1	-3.6	-3.1	-2.9	-3.4
Chemicals	6.3	6.2	6.2	6.4	6.4	6.4	6.4	6.4
% Ch	3.3	-3.9	2.0	8.5	0.3	1.0	0.6	0.5
Other Nondurables	12.8	12.5	12.6	12.5	12.4	12.3	12.3	12.3
% Ch	13.0	-7.5	1.3	-2.0	-3.5	-2.9	-0.4	1.2
Durable Manufacturing	243.5	247.5	245.0	245.3	245.2	245.5	246.3	247.4
% Ch	-8.5	6.7	-4.0	0.6	-0.2	0.4	1.3	1.8
Lumber and Wood	34.1	33.9	33.1	32.6	32.6	32.6	32.6	32.7
% Ch	4.0	-2.8	-9.2	-5.9	-0.2	0.8	0.3	0.1
Furniture	4.8	4.9	4.9	4.9	4.9	4.9	4.9	4.9
% Ch	6.5	5.1	-1.6	3.4	-2.5	-1.0	0.1	0.3
Stone-Clay-Glass	9.3	9.2	9.1	9.1	9.1	9.1	9.0	9.0
% Ch	23.3	-3.6	-5.0	0.8	-1.8	-1.6	-1.3	-1.3
Primary Metals	11.3	11.2	10.9	10.8	10.8	10.9	10.9	10.9
% Ch	-9.0	-2.2	-10.9	-3.1	0.4	2.2	0.8	1.5
Fabricated Metals	14.8	14.9	15.1	15.1	15.0	14.9	14.8	14.8
% Ch	-1.5	3.5	3.9	0.1	-2.9	-2.3	-2.5	-1.4
Nonelectrical Machinery	25.6	25.7	25.7	26.0	26.2	26.4	26.6	26.8
% Ch	6.4	1.5	0.5	4.6	3.3	3.2	3.2	2.7
Electrical Machinery	19.6	19.8	20.0	20.4	20.8	21.2	21.5	21.9
% Ch	35.4	4.5	3.1	8.4	8.5	8.0	6.5	6.0
Aerospace	84.2	88.2	87.4	86.7	86.0	85.5	85.6	86.1
% Ch	-30.0	20.7	-3.8	-3.0	-3.1	-2.3	0.6	2.0
Other Trans. Equip.	16.0	15.8	15.1	15.7	15.8	15.9	15.9	16.0
% Ch	-0.0	-4.1	-18.1	19.7	1.3	1.5	1.6	1.5
Instruments	14.7	14.8	14.8	14.9	15.0	15.1	15.2	15.2
% Ch	0.5	2.0	1.1	3.8	1.4	1.8	2.5	2.2
Other Durables	9.1	9.0	9.0	9.1	9.1	9.1	9.2	9.2
% Ch	-0.8	-3.0	1.0	0.9	1.2	1.6	1.8	1.9
Nonmanufacturing	2,340.2	2,356.4	2,364.6	2,369.8	2,380.4	2,391.4	2,403.4	2,414.6
% Ch	4.7	2.8	1.4	0.9	1.8	1.9	2.0	1.9
Mining	3.6	3.5	3.4	3.4	3.5	3.5	3.5	3.5
% Ch	54.5	-19.3	-2.9	1.8	2.8	1.1	0.5	0.1
Construction	159.4	161.4	164.4	165.2	165.4	166.1	166.4	166.8
% Ch	8.1	5.1	7.6	2.0	0.5	1.5	0.9	1.0
Trans., Comm. and Utilities	144.4	145.3	146.9	148.1	148.6	149.1	149.8	150.4
% Ch	4.7	2.8	4.2	3.3	1.4	1.5	1.7	1.7
Wholesale Trade	155.0	155.6	155.3	155.1	155.4	155.6	156.1	156.6
% Ch	-1.7	1.7	-0.8	-0.7	0.8	0.6	1.3	1.4
Retail Trade	494.5	498.2	495.7	496.6	498.4	501.1	502.8	504.8
% Ch	5.0	3.0	-2.0	0.7	1.4	2.2	1.4	1.6
Finance-Insurance-Real Estate	138.2	138.0	138.0	138.6	139.5	140.4	141.4	142.2
% Ch	0.8	-0.6	0.1	1.6	2.8	2.6	2.6	2.5
Services	765.7	770.7	777.9	783.6	789.5	794.3	800.8	805.9
% Ch	7.6	2.7	3.8	3.0	3.0	2.5	3.3	2.6
State and Local Government	411.9	410.3	414.7	412.4	413.6	414.7	416.0	417.2
% Ch	2.2	-1.5	4.3	-2.2	1.2	1.1	1.2	1.1
Federal Government	67.6	73.3	68.3	66.9	66.6	66.6	66.7	67.2
% Ch	-1.0	38.5	-24.6	-8.1	-1.9	0.2	0.3	3.3

Table A2.4
Washington Nonagricultural Employment by Industry
 Forecast 2000 to 2003

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Wage and Salary Employment	2,779.3	2,792.0	2,804.9	2,817.3	2,830.9	2,844.8	2,858.8	2,872.5
% Ch	1.8	1.8	1.9	1.8	1.9	2.0	2.0	1.9
Manufacturing	352.5	352.9	353.3	354.0	354.7	355.6	356.8	358.2
% Ch	0.4	0.4	0.4	0.8	0.8	1.0	1.4	1.5
Nondurable Manufacturing	104.4	104.1	103.7	103.6	103.4	103.4	103.5	103.6
% Ch	-1.4	-1.4	-1.3	-0.6	-0.5	-0.2	0.3	0.4
Food and Kindred Products	39.7	39.7	39.6	39.7	39.8	39.8	40.0	40.1
% Ch	-0.6	-0.4	-0.4	0.6	0.7	0.8	1.1	1.3
Pulp and Paper	15.3	15.3	15.3	15.3	15.3	15.3	15.4	15.4
% Ch	-0.3	-0.3	-0.1	-0.0	0.1	0.2	0.3	0.3
Apparel	7.3	7.1	7.0	6.9	6.8	6.8	6.7	6.7
% Ch	-7.1	-6.4	-6.4	-5.1	-4.8	-4.3	-2.7	-3.1
Printing	23.4	23.2	23.0	22.9	22.8	22.7	22.7	22.6
% Ch	-3.3	-3.2	-3.0	-1.7	-1.7	-1.4	-0.4	-0.8
Chemicals	6.4	6.4	6.5	6.5	6.5	6.6	6.6	6.7
% Ch	0.5	0.9	1.5	2.1	2.2	2.4	2.9	2.9
Other Nondurables	12.3	12.3	12.3	12.2	12.2	12.2	12.1	12.1
% Ch	0.5	-0.5	-1.2	-1.6	-1.6	-1.0	-0.5	0.1
Durable Manufacturing	248.1	248.8	249.6	250.4	251.2	252.2	253.4	254.6
% Ch	1.1	1.2	1.2	1.3	1.3	1.6	1.9	2.0
Lumber and Wood	32.4	32.0	31.7	31.5	31.2	30.9	30.7	30.6
% Ch	-3.1	-4.4	-3.7	-3.3	-3.6	-3.2	-2.4	-1.9
Furniture	4.9	4.9	4.9	4.9	4.9	4.9	4.9	4.9
% Ch	0.8	0.8	0.0	-0.5	-0.2	-0.0	0.7	1.3
Stone-Clay-Glass	9.0	9.0	9.0	9.0	9.0	8.9	8.9	8.9
% Ch	-0.6	0.0	-0.1	-0.5	-0.8	-0.9	-0.7	-0.3
Primary Metals	11.0	11.0	10.9	10.8	10.8	10.7	10.7	10.6
% Ch	0.3	-0.1	-2.1	-2.3	-2.2	-2.2	-1.9	-1.7
Fabricated Metals	14.7	14.6	14.6	14.5	14.5	14.5	14.6	14.6
% Ch	-1.8	-1.5	-1.6	-0.7	-0.7	-0.1	0.9	0.9
Nonelectrical Machinery	26.9	27.0	27.2	27.5	27.7	28.0	28.4	28.7
% Ch	1.3	2.0	3.1	3.7	3.7	4.2	4.8	4.8
Electrical Machinery	22.0	22.3	22.4	22.5	22.6	22.8	23.0	23.1
% Ch	3.0	4.2	2.2	2.1	1.9	3.2	3.2	3.3
Aerospace	86.6	87.3	87.9	88.6	89.2	89.9	90.6	91.2
% Ch	2.7	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Other Trans. Equip.	16.0	16.0	16.1	16.1	16.1	16.2	16.2	16.2
% Ch	0.8	1.0	0.9	0.9	0.7	0.4	0.4	0.2
Instruments	15.4	15.4	15.5	15.6	15.7	15.8	15.9	16.0
% Ch	3.6	1.4	2.4	2.5	3.0	2.7	2.8	2.7
Other Durables	9.3	9.3	9.4	9.4	9.5	9.6	9.6	9.7
% Ch	2.0	2.2	2.5	2.6	2.8	3.0	3.1	3.3
Nonmanufacturing	2,426.8	2,439.1	2,451.6	2,463.4	2,476.3	2,489.2	2,502.0	2,514.3
% Ch	2.0	2.0	2.1	1.9	2.1	2.1	2.1	2.0
Mining	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.6
% Ch	0.6	1.4	1.5	1.2	0.9	0.8	0.8	0.9
Construction	167.8	168.8	169.3	169.4	169.4	169.2	169.1	169.2
% Ch	2.3	2.3	1.4	0.2	-0.1	-0.4	-0.2	0.3
Trans., Comm. and Utilities	151.0	151.6	152.3	152.9	153.6	154.3	155.0	155.6
% Ch	1.7	1.7	1.7	1.6	1.8	1.8	1.8	1.8
Wholesale Trade	157.2	157.8	158.2	158.6	158.9	159.3	159.8	160.3
% Ch	1.5	1.4	1.2	0.9	0.9	1.0	1.3	1.2
Retail Trade	506.7	507.8	508.6	510.2	513.0	515.5	518.0	518.9
% Ch	1.5	0.9	0.6	1.2	2.2	2.0	2.0	0.8
Finance-Insurance-Real Estate	143.2	144.2	145.1	145.9	146.7	147.4	148.1	148.8
% Ch	2.9	2.6	2.5	2.2	2.2	1.9	1.9	2.0
Services	811.6	818.4	826.0	832.9	839.6	846.9	853.7	861.3
% Ch	2.9	3.4	3.8	3.4	3.3	3.5	3.3	3.6
State and Local Government	418.5	419.8	421.3	422.8	424.3	425.7	427.3	428.9
% Ch	1.3	1.3	1.4	1.4	1.5	1.3	1.5	1.5
Federal Government	67.2	67.3	67.3	67.3	67.4	67.4	67.5	67.6
% Ch	0.1	0.3	0.4	-0.1	0.3	0.4	0.4	0.4

Table A3.1
U.S. Personal Income by Component
 Forecast 2000 to 2003

	1996	1997	1998	1999	2000	2001	2002	2003
Personal Income	6,547.4	6,937.0	7,391.0	7,789.7	8,289.3	8,772.4	9,239.9	9,747.8
% Ch	5.6	6.0	6.5	5.4	6.4	5.8	5.3	5.5
Total Wage and Salary Disbursements	3,626.5	3,888.9	4,190.7	4,470.0	4,770.5	5,046.3	5,305.2	5,588.0
% Ch	5.9	7.2	7.8	6.7	6.7	5.8	5.1	5.3
Nonwage Personal Income	2,920.9	3,048.1	3,200.3	3,319.7	3,518.8	3,726.0	3,934.6	4,159.7
% Ch	5.2	4.4	5.0	3.7	6.0	5.9	5.6	5.7
Other Labor Income	490.0	475.4	485.5	501.0	523.0	546.9	570.9	600.2
% Ch	-1.4	-3.0	2.1	3.2	4.4	4.6	4.4	5.1
Proprietor's Income	544.8	581.2	620.7	663.5	708.5	744.7	788.2	835.4
% Ch	9.4	6.7	6.8	6.9	6.8	5.1	5.8	6.0
Farm	34.3	29.7	25.4	25.3	17.2	14.9	14.8	13.2
% Ch	54.3	-13.3	-14.3	-0.5	-31.9	-13.4	-1.1	-10.8
Nonfarm	510.5	551.5	595.2	638.2	691.3	729.8	773.5	822.2
% Ch	7.4	8.0	7.9	7.2	8.3	5.6	6.0	6.3
Less: Pers Cont. For Social Ins.	280.4	297.9	316.2	338.5	360.6	374.5	392.6	411.8
% Ch	4.3	6.2	6.2	7.0	6.5	3.9	4.8	4.9
Dividends/Int./Rent	1,237.7	1,327.2	1,427.3	1,477.4	1,578.1	1,664.9	1,739.5	1,827.9
% Ch	6.3	7.2	7.5	3.5	6.8	5.5	4.5	5.1
Transfer Payments	928.8	962.2	983.0	1,016.2	1,069.8	1,144.0	1,228.7	1,307.9
% Ch	4.8	3.6	2.2	3.4	5.3	6.9	7.4	6.4

Table A3.2
U.S. Personal Income by Component
 Forecast 2000 to 2003

	1998:1	1998:2	1998:3	1998:4	1999:1	1999:2	1999:3	1999:4
Personal Income	7,230.7	7,339.5	7,445.1	7,548.6	7,628.1	7,729.7	7,828.5	7,972.3
% Ch	7.7	6.2	5.9	5.7	4.3	5.4	5.2	7.6
Total Wage and Salary Disbursements	4,084.9	4,153.4	4,226.2	4,298.2	4,364.3	4,430.4	4,507.0	4,578.3
% Ch	8.5	6.9	7.2	7.0	6.3	6.2	7.1	6.5
Nonwage Personal Income	3,145.8	3,186.1	3,218.9	3,250.4	3,263.8	3,299.3	3,321.5	3,394.0
% Ch	6.7	5.2	4.2	4.0	1.7	4.4	2.7	9.0
Other Labor Income	480.0	483.8	487.4	490.9	495.1	498.7	502.8	507.4
% Ch	7.0	3.2	3.1	2.8	3.5	2.9	3.4	3.7
Proprietor's Income	606.2	613.3	619.5	643.7	644.1	660.4	659.7	689.6
% Ch	9.4	4.7	4.2	16.6	0.2	10.5	-0.4	19.4
Farm	25.3	23.3	21.2	32.0	25.0	29.0	15.5	31.7
% Ch	-41.0	-28.6	-31.3	423.6	-63.1	82.2	-91.8	1,632.0
Nonfarm	580.9	590.0	598.4	611.7	619.1	631.4	644.2	657.9
% Ch	12.7	6.4	5.8	9.2	5.0	8.2	8.4	8.8
Less: Pers Cont. For Social Ins.	310.3	314.0	318.2	322.5	331.2	335.8	341.0	345.9
% Ch	7.6	4.8	5.4	5.5	11.2	5.7	6.4	5.8
Dividends/Int./Rent	1,392.8	1,422.7	1,444.3	1,449.5	1,450.8	1,463.8	1,479.6	1,515.4
% Ch	7.3	8.9	6.2	1.4	0.4	3.6	4.4	10.0
Transfer Payments	977.1	980.3	985.8	988.8	1,005.0	1,012.2	1,020.3	1,027.4
% Ch	4.3	1.3	2.3	1.2	6.7	2.9	3.2	2.8

Table A3.2
U.S. Personal Income by Component
 Forecast 2000 to 2003

	2000:1	2000:2	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4
Personal Income	8,105.8	8,242.1	8,340.3	8,469.0	8,607.8	8,719.7	8,823.3	8,938.6
% Ch	6.9	6.9	4.9	6.3	6.7	5.3	4.8	5.3
Total Wage and Salary Disbursements	4,660.4	4,740.1	4,804.5	4,877.0	4,948.6	5,014.9	5,078.7	5,143.2
% Ch	7.4	7.0	5.5	6.2	6.0	5.5	5.2	5.2
Nonwage Personal Income	3,445.5	3,502.0	3,535.8	3,591.9	3,659.2	3,704.9	3,744.6	3,795.4
% Ch	6.2	6.7	3.9	6.5	7.7	5.1	4.4	5.5
Other Labor Income	514.0	520.5	526.2	531.4	537.9	543.7	550.3	555.6
% Ch	5.3	5.1	4.5	4.0	4.9	4.4	4.9	3.9
Proprietor's Income	693.9	709.5	710.0	720.5	729.1	739.1	750.2	760.6
% Ch	2.5	9.3	0.3	6.0	4.9	5.6	6.2	5.6
Farm	19.1	21.5	14.3	14.0	14.5	14.7	15.1	15.5
% Ch	-86.8	58.6	-80.3	-6.6	12.5	6.0	10.8	11.0
Nonfarm	674.8	688.1	695.7	706.4	714.6	724.4	735.2	745.1
% Ch	10.7	8.1	4.5	6.3	4.7	5.6	6.1	5.5
Less: Pers Cont. For Social Ins.	353.4	358.8	363.2	366.9	369.7	371.4	376.1	380.9
% Ch	9.0	6.3	5.0	4.2	3.1	1.8	5.2	5.2
Dividends/Int./Rent	1,544.0	1,564.7	1,587.1	1,616.5	1,642.9	1,657.6	1,668.8	1,690.4
% Ch	7.8	5.5	5.8	7.6	6.7	3.6	2.7	5.3
Transfer Payments	1,046.9	1,066.1	1,075.6	1,090.4	1,119.1	1,135.9	1,151.5	1,169.7
% Ch	7.8	7.6	3.6	5.6	11.0	6.1	5.6	6.5

Table A3.2
U.S. Personal Income by Component
 Forecast 2000 to 2003

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Personal Income	9,066.8	9,181.4	9,294.5	9,416.8	9,555.9	9,685.3	9,808.6	9,941.4
% Ch	5.9	5.2	5.0	5.4	6.0	5.5	5.2	5.5
Total Wage and Salary Disbursements	5,208.6	5,271.7	5,337.3	5,403.3	5,477.5	5,550.6	5,624.5	5,699.6
% Ch	5.2	4.9	5.1	5.0	5.6	5.4	5.4	5.4
Nonwage Personal Income	3,858.2	3,909.8	3,957.2	4,013.4	4,078.3	4,134.6	4,184.1	4,241.8
% Ch	6.8	5.5	4.9	5.8	6.6	5.6	4.9	5.6
Other Labor Income	559.9	567.0	574.5	582.0	589.5	596.6	603.7	611.1
% Ch	3.1	5.2	5.4	5.3	5.3	4.9	4.9	5.0
Proprietor's Income	771.7	782.2	793.7	805.3	818.1	829.8	841.0	852.7
% Ch	6.0	5.6	6.0	6.0	6.5	5.8	5.5	5.7
Farm	15.1	15.0	14.6	14.3	13.8	13.4	13.0	12.5
% Ch	-8.0	-3.2	-10.0	-9.9	-12.8	-11.4	-10.1	-13.7
Nonfarm	756.6	767.2	779.1	791.1	804.3	816.4	828.0	840.1
% Ch	6.3	5.8	6.3	6.3	6.9	6.1	5.8	6.0
Less: Pers Cont. for Social Ins.	386.8	390.4	394.8	398.5	405.1	409.4	413.9	418.6
% Ch	6.4	3.8	4.5	3.9	6.8	4.3	4.6	4.6
Dividends/Int./Rent	1,709.0	1,730.7	1,746.5	1,771.7	1,794.1	1,818.9	1,836.8	1,862.0
% Ch	4.5	5.2	3.7	5.9	5.1	5.6	4.0	5.6
Transfer Payments	1,204.4	1,220.2	1,237.3	1,252.9	1,281.8	1,298.8	1,316.6	1,334.6
% Ch	12.4	5.4	5.7	5.2	9.5	5.4	5.6	5.6

Table A3.3
Washington Personal Income by Component
 Forecast 2000 to 2003

	1996	1997	1998	1999	2000	2001	2002	2003
Personal Income	139.328	150.283	162.855	174.949	185.336	194.944	206.023	218.104
% Ch	7.4	7.9	8.4	7.4	5.9	5.2	5.7	5.9
Total Wage and Salary Disbursements	77.310	85.395	94.046	103.399	109.016	113.800	119.919	126.604
% Ch	7.9	10.5	10.1	9.9	5.4	4.4	5.4	5.6
Manufacturing	13.668	15.319	16.224	16.377	16.215	16.799	17.677	18.703
% Ch	8.0	12.1	5.9	0.9	-1.0	3.6	5.2	5.8
Nondurable Manufacturing	3.570	3.732	3.805	4.062	4.577	4.562	4.694	4.876
% Ch	2.8	4.5	1.9	6.8	12.7	-0.3	2.9	3.9
Durable Manufacturing	10.098	11.587	12.420	12.315	11.638	12.237	12.982	13.827
% Ch	10.0	14.7	7.2	-0.8	-5.5	5.1	6.1	6.5
Nonmanufacturing	60.310	66.546	74.286	83.232	88.810	92.825	97.902	103.383
% Ch	8.0	10.3	11.6	12.0	6.7	4.5	5.5	5.6
Other Private Wages	0.683	0.742	0.767	0.884	0.915	0.978	1.047	1.123
% Ch	-1.8	8.6	3.4	15.3	3.4	6.9	7.1	7.2
Farm Wages	0.775	0.849	0.898	1.003	1.130	1.200	1.249	1.301
% Ch	15.6	9.7	5.7	11.8	12.6	6.3	4.0	4.2
Military Wages	1.873	1.938	1.871	1.903	1.946	1.998	2.044	2.094
% Ch	4.6	3.5	-3.5	1.7	2.3	2.6	2.3	2.4
Nonwage Personal Income	62.018	64.888	68.810	71.550	76.319	81.145	86.104	91.500
% Ch	6.9	4.6	6.0	4.0	6.7	6.3	6.1	6.3
Other Labor Income	10.015	10.188	10.593	11.101	11.587	12.129	12.753	13.482
% Ch	3.1	1.7	4.0	4.8	4.4	4.7	5.1	5.7
Proprietor's Income	11.587	11.692	12.844	13.399	14.386	15.504	16.638	17.799
% Ch	7.9	0.9	9.9	4.3	7.4	7.8	7.3	7.0
Farm	0.877	0.468	0.538	0.077	0.033	0.322	0.469	0.522
% Ch	57.2	-46.7	15.1	-85.6	-57.6	882.4	45.9	11.3
Nonfarm	10.710	11.224	12.307	13.321	14.354	15.182	16.169	17.277
% Ch	5.2	4.8	9.6	8.2	7.8	5.8	6.5	6.9
Less: Pers. Cont. for Social Ins.	6.070	6.638	7.194	7.903	8.521	8.863	9.358	9.878
% Ch	6.1	9.4	8.4	9.9	7.8	4.0	5.6	5.6
Plus: Residence Adjustment	1.474	1.643	1.925	2.002	2.158	2.258	2.363	2.472
% Ch	13.9	11.4	17.1	4.0	7.8	4.7	4.6	4.6
Dividends/Int./Rent	26.618	28.967	31.014	32.515	35.185	37.147	38.958	41.150
% Ch	9.1	8.8	7.1	4.8	8.2	5.6	4.9	5.6
Transfer Payments	18.394	19.037	19.628	20.437	21.524	22.970	24.750	26.475
% Ch	4.5	3.5	3.1	4.1	5.3	6.7	7.7	7.0
State U.I. Benefits	0.856	0.723	0.817	0.947	0.898	0.889	0.914	0.957
% Ch	-3.6	-15.6	13.1	15.9	-5.2	-1.1	2.8	4.7
Other Transfers	17.537	18.315	18.811	19.490	20.626	22.081	23.836	25.518
% Ch	4.9	4.4	2.7	3.6	5.8	7.1	7.9	7.1

Table A3.4
Washington Personal Income by Component
 Forecast 2000 to 2003

	1998:1	1998:2	1998:3	1998:4	1999:1	1999:2	1999:3	1999:4
Personal Income	158.449	161.629	164.660	166.683	170.141	171.127	176.522	182.006
% Ch	11.4	8.3	7.7	5.0	8.6	2.3	13.2	13.0
Total Wage and Salary Disbursements	90.932	93.229	95.398	96.624	100.182	100.151	104.691	108.570
% Ch	13.2	10.5	9.6	5.2	15.6	-0.1	19.4	15.7
Manufacturing	15.766	16.245	16.534	16.351	16.198	16.478	16.498	16.332
% Ch	-5.0	12.7	7.3	-4.4	-3.7	7.1	0.5	-4.0
Nondurable Manufacturing	3.749	3.723	3.849	3.897	3.910	4.074	4.094	4.170
% Ch	-1.8	-2.7	14.2	5.1	1.3	17.9	2.0	7.6
Durable Manufacturing	12.017	12.522	12.685	12.454	12.288	12.404	12.404	12.162
% Ch	-6.0	17.9	5.3	-7.1	-5.2	3.8	0.0	-7.6
Nonmanufacturing	71.677	73.487	75.320	76.661	80.256	79.889	84.392	88.390
% Ch	18.5	10.5	10.4	7.3	20.1	-1.8	24.5	20.3
Other Private Wages	0.737	0.739	0.774	0.818	0.852	0.894	0.880	0.912
% Ch	-12.9	1.1	20.3	24.8	17.7	21.2	-6.1	15.4
Farm Wages	0.887	0.888	0.899	0.917	0.954	0.995	1.027	1.037
% Ch	4.6	0.5	5.0	8.3	17.1	18.3	13.5	4.0
Military Wages	1.865	1.870	1.871	1.877	1.922	1.895	1.894	1.899
% Ch	1.1	1.1	0.2	1.3	9.9	-5.5	-0.2	1.1
Nonwage Personal Income	67.517	68.399	69.264	70.059	69.958	70.976	71.831	73.436
% Ch	9.1	5.3	5.2	4.7	-0.6	5.9	4.9	9.2
Other Labor Income	10.387	10.563	10.685	10.735	10.954	10.886	11.159	11.405
% Ch	11.1	7.0	4.7	1.9	8.4	-2.5	10.4	9.1
Proprietor's Income	12.418	12.643	12.858	13.458	12.944	13.245	13.412	13.993
% Ch	14.9	7.4	7.0	20.0	-14.4	9.6	5.1	18.5
Farm	0.515	0.484	0.444	0.710	0.041	0.053	-0.041	0.256
% Ch	58.5	-22.0	-29.2	553.9	-100.0	179.2	-64.2	151.893
Nonfarm	11.904	12.159	12.415	12.748	12.902	13.192	13.453	13.737
% Ch	13.4	8.8	8.7	11.2	4.9	9.3	8.2	8.7
Less: Pers. Cont. for Social Ins.	7.008	7.149	7.279	7.339	7.687	7.666	7.991	8.269
% Ch	12.4	8.3	7.5	3.3	20.4	-1.1	18.1	14.7
Plus: Residence Adjustment	1.930	1.916	1.910	1.942	1.948	2.025	2.013	2.023
% Ch	81.4	-2.9	-1.2	6.9	1.2	16.8	-2.3	2.0
Dividends/Int./Rent	30.330	30.914	31.360	31.451	31.636	32.083	32.723	33.618
% Ch	5.9	7.9	5.9	1.2	2.4	5.8	8.2	11.4
Transfer Payments	19.459	19.512	19.729	19.812	20.164	20.403	20.515	20.666
% Ch	5.7	1.1	4.5	1.7	7.3	4.8	2.2	3.0
State U.I. Benefits	0.782	0.750	0.863	0.874	0.903	1.002	0.940	0.944
% Ch	16.9	-15.4	75.3	5.2	13.9	51.6	-22.5	1.7
Other Transfers	18.677	18.762	18.867	18.938	19.261	19.401	19.575	19.722
% Ch	5.2	1.8	2.3	1.5	7.0	2.9	3.6	3.0

Table A3.4
Washington Personal Income by Component
 Forecast 2000 to 2003

	2000:1	2000:2	2000:3	2000:4	2001:1	2001:2	2001:3	2001:4
Personal Income	183.985	184.506	184.668	188.184	191.155	193.660	196.109	198.853
% Ch	4.4	1.1	0.4	7.8	6.5	5.3	5.2	5.7
Total Wage and Salary Disbursements	109.391	108.688	107.876	110.111	111.579	113.023	114.536	116.062
% Ch	3.1	-2.5	-3.0	8.6	5.4	5.3	5.5	5.4
Manufacturing	16.327	16.085	16.134	16.315	16.486	16.676	16.896	17.137
% Ch	-0.1	-5.8	1.2	4.6	4.3	4.7	5.4	5.8
Nondurable Manufacturing	4.880	4.471	4.472	4.485	4.513	4.542	4.578	4.616
% Ch	87.6	-29.5	0.1	1.2	2.5	2.6	3.2	3.3
Durable Manufacturing	11.447	11.614	11.663	11.830	11.973	12.133	12.318	12.521
% Ch	-21.5	6.0	1.7	5.9	4.9	5.5	6.2	6.8
Nonmanufacturing	89.136	88.629	87.733	89.743	90.961	92.186	93.450	94.703
% Ch	3.4	-2.3	-4.0	9.5	5.5	5.5	5.6	5.5
Other Private Wages	0.906	0.900	0.917	0.935	0.954	0.970	0.985	1.002
% Ch	-2.6	-2.6	8.0	8.0	8.3	6.8	6.4	7.1
Farm Wages	1.071	1.127	1.149	1.171	1.184	1.195	1.206	1.218
% Ch	13.8	22.6	8.0	8.0	4.4	3.7	3.6	4.0
Military Wages	1.951	1.947	1.942	1.946	1.993	1.996	2.000	2.002
% Ch	11.4	-0.8	-1.1	0.9	10.0	0.6	0.7	0.5
Nonwage Personal Income	74.594	75.818	76.792	78.073	79.576	80.638	81.573	82.792
% Ch	6.5	6.7	5.2	6.8	7.9	5.4	4.7	6.1
Other Labor Income	11.411	11.522	11.650	11.765	11.907	12.045	12.211	12.355
% Ch	0.2	3.9	4.5	4.0	4.9	4.7	5.6	4.8
Proprietor's Income	14.010	14.245	14.483	14.808	15.085	15.355	15.650	15.925
% Ch	0.5	6.9	6.8	9.3	7.7	7.4	7.9	7.2
Farm	-0.022	-0.036	0.043	0.146	0.231	0.300	0.355	0.401
% Ch	-100.0	617.0	95.4	13,887.1	516.5	184.5	96.5	64.2
Nonfarm	14.032	14.281	14.440	14.662	14.854	15.055	15.295	15.523
% Ch	8.9	7.3	4.5	6.3	5.4	5.5	6.5	6.1
Less: Pers. Cont. for Social Ins.	8.365	8.475	8.578	8.666	8.733	8.778	8.907	9.037
% Ch	4.7	5.4	5.0	4.2	3.1	2.1	6.0	6.0
Plus: Residence Adjustment	2.112	2.148	2.173	2.198	2.221	2.245	2.270	2.296
% Ch	18.8	7.0	4.7	4.7	4.3	4.4	4.5	4.7
Dividends/Int./Rent	34.370	34.919	35.407	36.045	36.619	36.968	37.246	37.756
% Ch	9.3	6.5	5.7	7.4	6.5	3.9	3.0	5.6
Transfer Payments	21.056	21.459	21.659	21.923	22.476	22.802	23.103	23.497
% Ch	7.8	7.9	3.8	5.0	10.5	5.9	5.4	7.0
State U.I. Benefits	0.914	0.889	0.909	0.882	0.890	0.887	0.887	0.891
% Ch	-12.1	-10.5	9.1	-11.1	3.7	-1.3	-0.2	1.9
Other Transfers	20.142	20.570	20.750	21.040	21.586	21.915	22.216	22.606
% Ch	8.8	8.8	3.5	5.7	10.8	6.2	5.6	7.2

Table A3.4
Washington Personal Income by Component
 Forecast 2000 to 2003

	2002:1	2002:2	2002:3	2002:4	2003:1	2003:2	2003:3	2003:4
Personal Income	201.838	204.627	207.338	210.290	213.479	216.574	219.577	222.786
% Ch	6.1	5.6	5.4	5.8	6.2	5.9	5.7	6.0
Total Wage and Salary Disbursements	117.586	119.130	120.692	122.267	123.959	125.694	127.479	129.284
% Ch	5.4	5.4	5.3	5.3	5.7	5.7	5.8	5.8
Manufacturing	17.344	17.561	17.780	18.022	18.272	18.546	18.844	19.149
% Ch	4.9	5.1	5.1	5.6	5.7	6.1	6.6	6.6
Nondurable Manufacturing	4.645	4.676	4.707	4.749	4.794	4.844	4.903	4.962
% Ch	2.6	2.7	2.7	3.6	3.8	4.3	4.9	4.9
Durable Manufacturing	12.699	12.885	13.073	13.273	13.478	13.702	13.942	14.187
% Ch	5.8	6.0	6.0	6.3	6.3	6.8	7.2	7.2
Nonmanufacturing	95.950	97.244	98.553	99.860	101.222	102.647	104.100	105.563
% Ch	5.4	5.5	5.5	5.4	5.6	5.8	5.8	5.7
Other Private Wages	1.021	1.038	1.055	1.074	1.094	1.113	1.132	1.152
% Ch	7.7	7.0	6.7	7.2	7.7	7.3	6.9	7.3
Farm Wages	1.230	1.243	1.255	1.267	1.281	1.295	1.308	1.322
% Ch	4.3	4.0	3.9	4.2	4.4	4.3	4.1	4.3
Military Wages	2.041	2.045	2.049	2.044	2.090	2.093	2.096	2.099
% Ch	7.9	0.8	0.8	-1.0	9.4	0.5	0.5	0.5
Nonwage Personal Income	84.252	85.497	86.646	88.024	89.519	90.880	92.098	93.502
% Ch	7.2	6.0	5.5	6.5	7.0	6.2	5.5	6.2
Other Labor Income	12.477	12.660	12.846	13.030	13.211	13.389	13.569	13.758
% Ch	4.0	6.0	6.0	5.9	5.7	5.5	5.5	5.7
Proprietor's Income	16.216	16.488	16.780	17.069	17.379	17.660	17.937	18.222
% Ch	7.5	6.9	7.3	7.1	7.5	6.6	6.4	6.5
Farm	0.434	0.462	0.482	0.498	0.510	0.520	0.527	0.532
% Ch	36.6	28.7	18.1	14.1	9.9	7.7	6.1	4.0
Nonfarm	15.782	16.026	16.298	16.571	16.869	17.140	17.409	17.689
% Ch	6.8	6.3	7.0	6.9	7.4	6.6	6.4	6.6
Less: Pers. Cont. for Social Ins.	9.192	9.298	9.417	9.524	9.692	9.811	9.940	10.070
% Ch	7.0	4.7	5.2	4.6	7.3	5.0	5.4	5.3
Plus: Residence Adjustment	2.323	2.349	2.376	2.403	2.430	2.458	2.486	2.515
% Ch	4.7	4.6	4.6	4.6	4.6	4.7	4.7	4.7
Dividends/Int./Rent	38.209	38.734	39.139	39.750	40.304	40.914	41.378	42.003
% Ch	4.9	5.6	4.2	6.4	5.7	6.2	4.6	6.2
Transfer Payments	24.219	24.563	24.923	25.294	25.888	26.270	26.667	27.074
% Ch	12.9	5.8	6.0	6.1	9.7	6.0	6.2	6.2
State U.I. Benefits	0.899	0.908	0.919	0.931	0.942	0.952	0.962	0.974
% Ch	3.4	4.3	4.8	5.3	4.8	4.3	4.3	5.1
Other Transfers	23.320	23.655	24.004	24.363	24.946	25.319	25.706	26.100
% Ch	13.2	5.9	6.0	6.1	9.9	6.1	6.3	6.3

Table A4.1
Selected Inflation Indicators
 (Deflator 1996=1.0; CPI 1982-84=1.0)

	Price Deflator*		U.S. CPI#		Seattle CPI+	
	Index	Percent Change	Index	Percent Change	Index	Percent Change
1963	0.228	1.2	0.306	1.3	0.302	1.6
1964	0.231	1.4	0.310	1.3	0.306	1.3
1965	0.234	1.5	0.315	1.6	0.310	1.1
1966	0.240	2.6	0.325	3.0	0.319	3.0
1967	0.246	2.5	0.334	2.8	0.328	2.9
1968	0.256	3.9	0.348	4.2	0.342	4.1
1969	0.267	4.5	0.367	5.4	0.358	4.8
1970	0.280	4.7	0.388	5.9	0.374	4.5
1971	0.292	4.3	0.405	4.2	0.382	2.1
1972	0.302	3.5	0.418	3.3	0.393	2.9
1973	0.319	5.4	0.444	6.3	0.418	6.4
1974	0.351	10.3	0.493	11.0	0.464	11.0
1975	0.380	8.1	0.538	9.1	0.511	10.2
1976	0.401	5.5	0.569	5.8	0.539	5.5
1977	0.427	6.6	0.606	6.5	0.583	8.0
1978	0.458	7.1	0.652	7.6	0.640	9.9
1979	0.498	8.9	0.726	11.3	0.709	10.8
1980	0.552	10.8	0.824	13.5	0.827	16.7
1981	0.601	8.8	0.909	10.4	0.916	10.8
1982	0.635	5.6	0.965	6.2	0.978	6.7
1983	0.662	4.3	0.996	3.2	0.993	1.5
1984	0.686	3.7	1.039	4.4	1.030	3.8
1985	0.710	3.4	1.076	3.5	1.056	2.5
1986	0.727	2.4	1.097	1.9	1.066	1.0
1987	0.755	3.8	1.137	3.7	1.092	2.4
1988	0.784	3.9	1.184	4.1	1.128	3.3
1989	0.819	4.4	1.240	4.8	1.181	4.7
1990	0.856	4.6	1.308	5.4	1.268	7.3
1991	0.889	3.8	1.363	4.2	1.341	5.8
1992	0.916	3.0	1.404	3.0	1.390	3.7
1993	0.938	2.4	1.446	3.0	1.429	2.8
1994	0.957	2.0	1.483	2.6	1.478	3.4
1995	0.979	2.3	1.525	2.8	1.522	3.0
1996	1.000	2.1	1.570	2.9	1.575	3.4
1997	1.019	1.9	1.606	2.3	1.630	3.5
1998	1.030	1.1	1.631	1.6	1.678	3.0
1999	1.048	1.8	1.667	2.2	1.728	2.9
Forecast						
2000	1.074	2.5	1.722	3.3	1.791	3.7
2001	1.098	2.2	1.766	2.5	1.837	2.6
2002	1.123	2.3	1.810	2.5	1.882	2.4
2003	1.151	2.4	1.856	2.5	1.932	2.7

* Chain-Weight Implicit Price Deflator for Personal Consumption Expenditures

Consumer Price Index for all Urban Consumers

+ Consumer Price Index for the Seattle-Tacoma CMSA

Table A4.2

Chain-Weighted Price Indices

(1996=1.0)

	Services		Food		Fuels		Gasoline	
	Index	Percent Change	Index	Percent Change	Index	Percent Change	Index	Percent Change
1963	0.181	1.4	0.227	1.4	0.147	1.9	0.230	-0.2
1964	0.184	1.8	0.232	1.9	0.146	-0.9	0.228	-0.7
1965	0.188	2.0	0.236	2.0	0.149	2.3	0.237	3.8
1966	0.193	2.8	0.246	4.2	0.153	2.5	0.243	2.3
1967	0.199	3.0	0.250	1.6	0.158	3.2	0.251	3.3
1968	0.207	4.2	0.259	3.7	0.162	3.0	0.254	1.5
1969	0.217	5.0	0.272	4.9	0.166	2.3	0.263	3.3
1970	0.229	5.3	0.288	6.1	0.173	4.2	0.265	0.9
1971	0.242	5.6	0.297	3.1	0.185	6.7	0.267	0.7
1972	0.252	4.4	0.311	4.5	0.186	0.8	0.270	1.3
1973	0.264	4.6	0.345	10.9	0.213	14.4	0.296	9.6
1974	0.285	7.9	0.393	14.2	0.338	58.3	0.400	35.1
1975	0.308	8.2	0.425	7.9	0.370	9.6	0.427	6.7
1976	0.329	6.8	0.439	3.3	0.395	6.8	0.445	4.2
1977	0.355	7.9	0.466	6.3	0.446	12.8	0.471	5.8
1978	0.383	7.9	0.509	9.1	0.469	5.1	0.491	4.3
1979	0.414	8.2	0.559	10.0	0.628	34.0	0.659	34.0
1980	0.459	10.7	0.608	8.7	0.874	39.2	0.914	38.8
1981	0.506	10.2	0.654	7.6	1.064	21.7	1.017	11.3
1982	0.548	8.4	0.677	3.5	1.052	-1.2	0.966	-5.1
1983	0.583	6.4	0.692	2.1	0.989	-6.0	0.934	-3.3
1984	0.614	5.2	0.715	3.3	1.011	2.3	0.920	-1.5
1985	0.644	4.9	0.729	2.0	0.976	-3.4	0.928	0.8
1986	0.673	4.6	0.750	2.9	0.787	-19.3	0.729	-21.5
1987	0.702	4.3	0.775	3.3	0.788	0.1	0.756	3.8
1988	0.736	4.9	0.801	3.4	0.790	0.3	0.763	0.8
1989	0.771	4.8	0.841	5.0	0.826	4.5	0.833	9.2
1990	0.809	5.0	0.882	4.8	0.986	19.4	0.948	13.8
1991	0.848	4.8	0.912	3.4	0.955	-3.2	0.936	-1.3
1992	0.885	4.3	0.922	1.2	0.921	-3.6	0.933	-0.4
1993	0.916	3.5	0.937	1.5	0.918	-0.3	0.923	-1.0
1994	0.942	2.8	0.952	1.6	0.903	-1.6	0.928	0.5
1995	0.973	3.3	0.973	2.2	0.896	-0.8	0.942	1.6
1996	1.000	2.8	1.000	2.8	1.000	11.6	1.000	6.1
1997	1.031	3.1	1.022	2.2	1.008	0.8	1.000	0.0
1998	1.055	2.3	1.041	1.8	0.915	-9.2	0.879	-12.1
1999	1.080	2.4	1.061	2.0	0.929	1.5	0.957	8.9
Forecast								
2000	1.110	2.8	1.085	2.2	1.246	34.1	1.220	27.6
2001	1.143	3.0	1.109	2.2	1.212	-2.7	1.203	-1.4
2002	1.179	3.1	1.135	2.4	1.185	-2.2	1.179	-2.0
2003	1.215	3.1	1.163	2.4	1.196	0.9	1.185	0.5

Table A5.1
Total Resident Population and Components of Change*
 (Thousands)

	<u>Population</u>	<u>Change</u>	<u>Percent Change</u>	<u>Births</u>	<u>Deaths</u>	<u>Net Migration</u>
1970	3413.3	16.3	0.5	59.9	30.0	-13.7
1971	3436.3	23.1	0.7	60.0	29.8	-7.2
1972	3430.3	-6.0	-0.2	53.1	30.4	-28.7
1973	3444.3	14.0	0.4	47.7	30.4	-3.3
1974	3508.7	64.4	1.9	48.2	29.9	46.2
1975	3567.9	59.2	1.7	50.1	30.3	39.4
1976	3634.9	67.0	1.9	51.4	30.2	45.8
1977	3715.4	80.5	2.2	54.2	29.1	55.4
1978	3836.2	120.8	3.3	57.3	30.4	94.0
1979	3979.2	143.0	3.7	60.2	30.2	113.0
1980	4132.4	153.2	3.8	65.4	31.3	119.1
1981	4229.3	96.9	2.3	68.2	31.8	60.6
1982	4276.5	47.3	1.1	70.1	31.7	8.9
1983	4307.2	30.7	0.7	69.5	32.5	-6.2
1984	4354.1	46.8	1.1	68.5	33.2	11.6
1985	4415.8	61.7	1.4	69.1	34.0	26.6
1986	4462.2	46.4	1.1	70.2	34.0	10.2
1987	4527.1	64.9	1.5	69.3	34.4	30.0
1988	4616.9	89.8	2.0	71.0	36.0	54.8
1989	4728.1	111.2	2.4	73.0	36.0	74.2
1990	4866.7	138.6	2.9	76.4	36.2	98.5
1991	5000.4	133.7	2.7	79.1	36.6	91.2
1992	5116.7	116.3	2.3	80.2	37.2	73.2
1993	5240.9	124.2	2.4	79.1	39.4	84.5
1994	5334.4	93.5	1.8	78.2	39.5	54.8
1995	5429.9	95.5	1.8	77.5	40.0	58.0
1996	5516.8	86.9	1.6	77.0	41.2	51.0
1997	5606.8	90.0	1.6	78.0	42.6	54.6
1998	5685.3	78.5	1.4	78.8	41.6	41.2
1999	5757.4	72.1	1.3	79.8	43.1	35.5
2000	5803.4	46.0	0.8	79.5	44.0	10.5
Forecast						
2001	5862.0	58.6	1.0	79.4	44.5	23.7
2002	5925.0	63.0	1.1	79.6	45.2	28.6
2003	5992.4	67.4	1.1	80.0	45.7	33.1

* As of April 1 of Each Year

Source: Office of Financial Management

Table A5.2
Washington Population*
 (Thousands)

	1998	Actual 1999	2000	2001	Forecast 2002	2003
Total Population	5685.3	5757.4	5803.4	5862.0	5925.0	5992.4
Percent Change	1.4	1.3	0.8	1.0	1.1	1.1
Age 17 and Under	1523.8	1532.4	1534.7	1537.6	1542.5	1547.6
Percent of Total	26.8	26.6	26.4	26.2	26.0	25.8
Age 6-18	1115.8	1129.5	1132.9	1140.7	1143.9	1148.3
Percent of Total	19.6	19.6	19.5	19.5	19.3	19.2
Age 18 and Over	4161.5	4225.0	4268.7	4324.4	4382.5	4444.9
Percent of Total	73.2	73.4	73.6	73.8	74.0	74.2
Age 21 and Over	3933.5	3985.1	4023.8	4075.7	4132.6	4188.4
Percent of Total	69.2	69.2	69.3	69.5	69.7	69.9
Age 20-34	1149.8	1140.8	1134.5	1140.3	1148.0	1162.4
Percent of Total	20.2	19.8	19.5	19.5	19.4	19.4
Age 18-64	3512.0	3569.9	3607.7	3656.8	3708.0	3762.0
Percent of Total	61.8	62.0	62.2	62.4	62.6	62.8
Age 65 and Over	649.5	655.1	661.0	667.7	674.4	682.9
Percent of Total	11.4	11.4	11.4	11.4	11.4	11.4

* As of April 1 of Each Year

Source: Office of Financial Management

Glossary

Biennium: The state's two years budget cycle. The 1997-1999 biennium started on July 1, 1997 and ends June 30, 1999. The current 1999-2001 biennium started July 1, 1999 and ends June 30, 2001.

Cash Basis: Cash receipts received during a period. The Forecast Council forecasts revenues on a Cash and GAAP (Generally Accepted Accounting Principles) basis.

CPI: The Consumer Price Index for All Urban Consumers. The Bureau of Labor Statistics (BLS) updates the CPI monthly, surveying over 60,000 goods in 85 urban areas. The BLS also produces a bi-monthly Seattle-Tacoma-Bremerton CPI.

Tax Elasticity: A measure of how tax revenues respond to changes in personal income. If tax revenue elasticity is greater than one, a one percent change in personal income will be associated with more than a one percent increase in tax revenues. If elasticity is less than one, a one percent increase in personal income will be associated with less than a one percent increase in tax revenues.

Fiscal Year: The state's budget year. Washington State's fiscal year runs from July 1 through June 30. Fiscal year 1999, for example, ran from July 1, 1998 through June 30, 1999.

GAAP Basis: Generally Accepted Accounting Principles measure revenue in the period during which they accrue rather than the period in which they are received.

General Fund: Accounts for all financial resources and transactions not accounted for in another fund.

General Fund-State Revenue: Resources from state sources only, excludes federal monies.

Implicit Price Deflator for Personal Consumption Expenditures (IPD): The IPD is a by-product of the National Income and Product Accounts. It is derived by dividing current dollar (nominal) consumer expenditures by constant dollar (real) consumer expenditures.

Mortgage Rate: The average interest rate on 25 year conventional loan (as reported by the Federal Home Loan Bank Board).

Non-Wage Income: Personal income other than from wages and salaries. The major components are: proprietor's income, transfer payments, and dividends, interest and rent.

Real GDP: Gross Domestic Production adjusted for the price level.

Personal Income: Income from wages and salaries; other labor income; proprietor's income; dividends, interest and rent; transfer payments; and a residence adjustment. It is reduced by employee contributions for social insurance.

Seasonally Adjusted: Adjusted for normal seasonal variations. Monthly statistics, such as the unemployment rate, are seasonally adjusted to make month-to-month comparisons possible.

Wage and Salary Employment: Civilian nonfarm payroll employees. The self-employed, farm workers, members of the armed forces, private household employees, and workers on strike are excluded.